

## Multifamily End of Year 2023

### Market Insights

	YoY Chg	12-Mo. Forecast
5.7% Vacancy Rate	↑	↑
120 New Deliveries, Units	↓	↓
1,788 Under Construction Units	↑	—
\$1,677 Market Rent, Per Unit	↑	↑

### CAPITAL MARKET

	YoY Chg	12-Mo. Forecast
 5.7% Average Cap Rate	↑	↑
 4,780 Inventory Units	↑	—



### MULTIFAMILY MARKET:

#### Transaction Activity:

- Total sales declined from 32 in 2022 to 10 in 2023.
- Market dynamics are influenced by factors such as financing costs, economic conditions, and supply and demand dynamics.

#### Price Per Unit:

- Despite the decline in transaction volume, 2023 saw a modest increase in the price per unit at 2% higher than 2022, due to rental rate increases.
- The average sales price per unit, adjusted for short-term rental housing, reached \$198,224 in 2023.

#### New Supply:

- Significant development in apartment units was observed in Santa Fe in 2023;
  - 120 units delivered.
  - 1,788 units are under construction.
  - 5,022 units approved for development.

#### Rental Trends:

- Varying price ranges across different apartment sizes.
- 1-bedroom apartment rent ranges from \$1,280 to \$2,100, with an average rent of \$1,600.
- 2-bedroom apartment rent ranges between \$1,600 and \$2,420, with an average rent of \$2,000.

#### Conclusion:

- A slowdown in sales transactions indicates a potential plateau in market activity.
- Interest rates are impacting property valuations, financing costs, and market dynamics.
- Net absorption was lower compared to historical averages.
- Santa Fe's inventory is expected to increase by 4.4% once units are completed.
- Market-level rents increased by 0.9% in the past year, surpassing the national benchmark.

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### MARKET STATISTICS:

Submarket	Inventory (Units)	Vacancy Rate,	YOY Vacancy Rate Change	AVG Effective Rent/Unit	Avg Effective Rent PSF	YOY % Effective Rent Growth
Santa Fe	4,780	5.43%	0.40%	\$1,677	\$2.12	3.50%

### KEY SALES TRANSACTIONS:

Property	Submarket	Buyer Type	Units	List Price
755 Dunlap St	Santa Fe	Private Investor	10	\$ 1,100,000
109 S St Francis Drive	Santa Fe	Private Investor	4	\$ 805,000
2371 Camino Capitan	Santa Fe	Private Investor	4	\$ 595,000

### AVERAGE ASKING RENT BY UNIT:

Unit	Price	YOY Change
1 Bedroom Asking Rent	\$ 1,674	4.04%
2 Bedroom Asking Rent	\$ 1,855	5.13%
3 Bedroom Asking Rent	\$ 2,141	9.97%

Tai *Tai Dixby*, CCIM

Jacob *Jacob Rucker*

(505) 577-3524

(505) 226-3929

Tai@tba.team

Jacob@reanm.com

Real Estate Advisors, LLC 1227 Paseo de Peralta  
Santa Fe, NM 87501

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Santa Fe, NM 87501

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