



# REAL ESTATE ADVISORS

YOUR SUCCESS IS OUR FOCUS

North Valley Investment  
2800 2nd Street NW  
Albuquerque, NM

## RECENT CLIENT SUCCESS

### MAXIMIZING VALUE IN A CHALLENGING MARKET

#### CHALLENGE

A Santa Fe investor and business owner had An Albuquerque property owner had invested in significant improvements to their building but was faced with a market with below average rents. Although the owner wanted to sell, low rents contributed to a low cap rate. This created a hurdle for potential buyers, most of whom were seeking higher cap rates driven by the increased cost of capital and rising interest rates. The owner contacted Real Estate Advisors (REA) for an assessment of the property's value after an existing tenant expressed interest in purchasing the property, but the owner needed a strategy to maximize their return despite the market's challenges.



#### ACTION

REA|Real Estate Advisors conducted a detailed analysis of the local market, rent rates and recent investment sales which uncovered substantial equity in the property. Recognizing the market conditions, the property was then listed at a premium price which focused on the high-quality improvements and the potential to increase rents. To address the low cap rate and the impact of increased borrowing costs, REA worked with the owner to structure an attractive owner financing option which allowed potential buyers to finance at a rate below bank offerings, offsetting both the low cap rate and the high cost of capital while positioning the property as a strong investment.

#### RESULT

In under four months, REA secured a buyer willing to pay the premium price, which allowed the owner to sell at a much higher value than expected. This approach significantly exceeded what the owner would have achieved had they sold directly to their tenant, capturing the property's full potential in a challenging market.

#### TESTIMONIAL

**"When a tenant expressed interest in buying my property, I was uncertain about how to secure the best price. Chris and the team at REA crafted an ideal strategy, combining their deep market knowledge with creative owner-financing options to achieve an outstanding result. Their guidance was invaluable, and I would highly recommend REA to anyone looking to maximize the value of their real estate investment." R.G. (seller)**



901 Rio Grande Blvd. NE  
Suite D-224  
Albuquerque, NM 87104



505.539.3200  
www.reanm.com