

INVESTMENT SUMMARY



Rio Grande Lofts
Albuquerque NM

Full Featured Upscale Country Club Living

200-222 Rio Grande SW | Albuquerque, NM



Albuquerque in the news:

Never a boom or bust town, Albuquerque is steadily pulling itself out of the economic downturn with increasing employment in most sectors, with a particular focus on the innovation square concept at Broadway and Central (where Microsoft has just announced a new facility).

Ideally situated between Los Angeles and Dallas, Phoenix and Denver, and known for its quality of living, Albuquerque is increasing its walkable/bikeable and mass transit infrastructure to continue to recruit future employment.



- ☑ **9th best mid-sized city of the Future**
Foreign Direct Investment magazine—03/2015
- ☑ **6th best city to travel to for food snobs**
Travel+Leisure—03/2015
- ☑ **America's best city for Global Trade for Skilled Workforce**
Global Trade magazine—11/2014
- ☑ **3rd best city for rent growth**
All Property Management as reported in ABQ Journal—10/2013
- ☑ **6th best city in US for connecting workers to jobs using Public Transportation**
Brookings Institute—July 2012
- ☑ **On of the 10 best park systems in the nation**
Trust for Public Land—2012
- ☑ **3rd most fittest city**
Men's Fitness Magazine—2012
- ☑ **3rd best city to make movies**
Moviemaker.com
- ☑ **Top 25 best places to Retire**
CNNMoney.com
- ☑ **15th best city in Bloomberg's Business Week (best cities)**
Bloomberg's Business Week—2011
- ☑ **#17th best bike friendly city**
Bicycling Magazine—2010
- ☑ **Top Ten for Being a Healthy Community**
Outside Magazine—#6—August 2009
- ☑ **One of the Best Cities in the Nation**
Kiplinger Magazine—#2—July 2009
- ☑ **Top 10 places to Live**
U.S. News & World Report—June 2009
- ☑ **AAA rates Albuquerque 2nd in vacation affordability**
American Automobile Association—June 2008

Hundreds of films have been filmed in NM, and over a dozen TV shows and movies are in the works in 2015-2016.

- ☑ **Forbes Ranks Albuquerque #8 in Best Cities for Jobs**
Forbes, October 2007
- ☑ **UNM Schools Ranked Among Best**
Hispanic Business- September 2007
- ☑ **Albuquerque Named 25th Among America's Hottest Job Markets**
Washington Business Journal—BizJournal September 2007
- ☑ **Albuquerque Named Among the 50 Best Adventure Towns**
National Geographic Magazine, September 2007
- ☑ **New Mexico Ranked Fifth Nationally for Manufacturing Momentum**
Business Facilities, June 2007
- ☑ **New Mexico Ranked Fifth Nationally for Manufacturing Momentum**
Business Facilities, June 2007
- ☑ **Albuquerque Ranked #9 Among Cities for Most Educated Workforce**
Business Facilities- June 2007
- ☑ **New Mexico Ranked #7 for Pro-Business Climate (#1 in the Southwest)**
Business Facilities, June 2007
- ☑ **Albuquerque Ranked #2 Arts Destination**
AmericanStyle Magazine, June 2007
- ☑ **Albuquerque Named Among the Top 20 Metros for Nanotech**
Wilson Center's Project on Emerging Nanotechnologies, May 2007
- ☑ **Albuquerque Named one of the Top 20 Midsize Cities for Doing Business**
Inc.com, April 2007
- ☑ **Albuquerque Fittest City in the Nation**
Men's Fitness, March 2007
- ☑ **Albuquerque One of America's 50 Hottest Cities,**
Expansion Management, February 2007
- ☑ **Albuquerque Named a Top 10 City for Movie Making,**
MovieMaker Magazine, Winter 2007
- ☑ **Albuquerque Ranked 3rd Smartest City to Live,**
Kiplinger's Personal Finance, May 2006
- ☑ **Albuquerque One of the Top Metros in U.S. Overall for Public Schools-**
Expansion Management, May 2006
- ☑ **Bizjournals Survey Ranks Albuquerque 18th for Jobs,**
BizJournals, November 2006
- ☑ **Albuquerque Best in Nation for Business and Careers**
Forbes, May 2006
- ☑ **Forbes Magazine Ranks Albuquerque as 5th Best Metro Overall and Lowest Cost City for Doing Business-** *Forbes, May 2005*

filmnewmexico



The Neighborhood

With a walk score of 82, a bike score of 91, and a hundred feet from the Albuquerque Rapid Ride, the Rio Grande Lofts are an ideal location for the millennial, baby boomer or anyone looking for an active lifestyle.

The subject property is located just south of three hundred year Old Town Albuquerque, and just west of Downtown Albuquerque's 25,000+ jobs and 100+ restaurants.

Surrounded by entertainment, museums, golfing, restaurants, shopping, parks, the zoo, the biopark, fishing lakes, Tingley Beach, bike trails, hiking trails and so much more.



Rio Grande Lofts
Albuquerque NM

Area Demographics

Basic Facts		Marketing Facts	
List	Chart	List	Charts
Albuquerque, NM, 8...	United States		
Neighborhood			
Midlife Jun...	Details	Midland Cr...	
Population			
9,629	-311M	311,212,863	
Median Age			
38.5	1.5	37	
Household Annual Income			
\$53,036	-17K	\$70,173	
College Educated			
23%	-5	28%	
Unemployment Rate			
12%	1	11%	
Household Size			
2.4	-0.2	2.6	
Home Owners			
55%	-3	58%	
Retail Spending (per month)			
\$1,535	-537	\$2,072	
...ing (per month)			
		\$246	
... (per month)			
Teens (Age 15-19)		729	
Young Adults (Age 20-24)		643	
Empty Nesters (Age 45-64)		2,605	
Seniors (Age 65+)		1,467	
Disposable Household Income		\$45,173	
Net Worth		\$356,154	
Wealthy Seniors (Silver and Gold)		0	
Bought/Lease new Vehicle last year		7%	
Computer Spending (per year)		\$146	
Travel Spending (per year)		\$1,373	
Avid Daytime TV Watchers		12%	



Neighborhood

Midlife Junction

Where They Live **Suburbs**

Lifestyle **Go fishing**

- Own U.S. Savings Bonds
- Attend tennis matches
- Read 2+ daily/Sunday newspapers
- Own / lease domestic vehicle

Employment **Professional / Mgmt.**

Services

Housing Type **Single Family / Multi-Units**

Rio Grande Lofts
Albuquerque, NM

Top to bottom renovation

On behalf of the owner, NM Apartment Advisors Inc., is pleased to present a rare opportunity to own a completely renovated mid sized townhouse style apartment in the Old Town / Albuquerque Country Club neighborhood.

The Property

Originally built by well known and admired custom home builder, HL Cleff, the property was destroyed by a fire in the mid 2000s. Purchased by local developer, John Mahoney who completed renovations in 2014, the property shines with quality upgrades from edge to edge.

The property is in the last stage of lease up with two vacant units and offers an investor a new property with low maintenance and overhead obligations with an average rent of \$1.20/sf or \$1,210 per month. The property's new condition, sub metered utilities and great location should all lead to an easier than average property to maintain.



Rio Grande Lofts
Albuquerque NM

Address 200 Rio Grande SW

of units: 18

Avg. Unit Size 1,008 square feet

Developer 1980 HL Cleff
2014 Mahoney

Ask Price: \$2,450,000 \$135/sf
\$136,111/unit

Proforma 2015 Proforma 2016

Avg. Rent \$1,198 \$1,260
\$1.18/sf \$1.25

CAP Rate 6.5% 7.1%

Cash on Cash 7.9% 10.1%

IRR Before Tax 16.8% 21.6%
After Tax 12.9% 16.8

Size (sf) 18,150 +/- Net Rentable

Site 0.71 Acres 30 DU's

UPC: 1-013-058-106250-31416

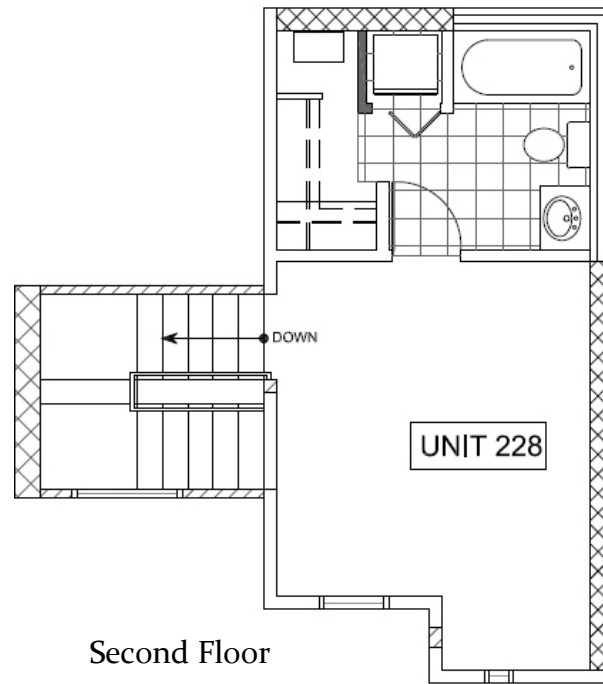
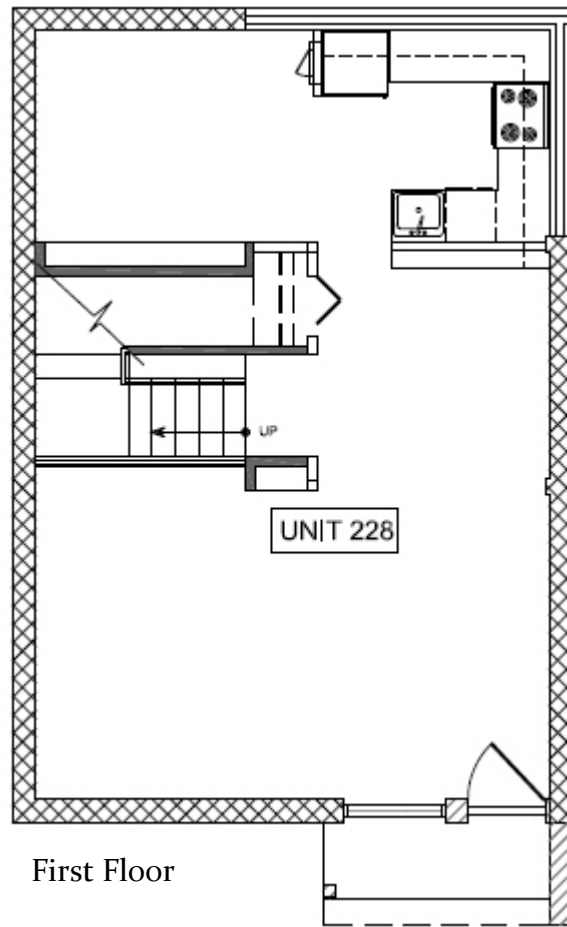
Zoning: R-2



Siteplan & Floorplans



Typical Floorplan and unit amenities



Unit Sizes: 17 x 1 / 1 + office = 1,000 sf
1 x 2/1 accessible = 1,150 sf

Construction: Adobe
2"x6" Frame

Roof System Insulated foam membrane

HVAC Roof mounted package units

Plumbing: Upgraded

Electrical: Upgraded

Appliances: Stainless steel stove, dishwasher, & refrigerator

Utilities Submetered for gas, electric, RUBS for water/ sewer

Finishes: Exposed (Original) Brick Floor

Amenities: Built in washer / dryer
Built in bookshelves
Built in media center

Site Amenities Location



Rio Grande Lofts
Albuquerque NM

Financials

NM Apartment Advisors Financial Overview for:

200 Rio Grande SW

Prepared by: Todd Clarke CCIM 3/30/2015

Unit/Rent Summary				E		C		A			
#	Type	Style	Approx Size	Actual Rent	Street Rate as of 3/1/2015	Market Rent	Actual Rent \$/sf	Total Actual	Total Max Rent for this type	Total Market Potential	Total sf
17		1/1 + office	1,000	\$ 1,202	\$ 1,220	\$ 1,260	\$ 1.20	\$ 20,436	\$ 20,740	\$ 21,420	17,000
1		2/2 handicapped accessible	1,150	\$ 1,345	\$ 1,350	\$ 1,350	\$ 1.17	\$ 1,345	\$ 1,350	\$ 1,350	1,150
18	total units			Avg. Unit Size=	1,008 sf	Total=		\$ 21,781	\$ 22,090	\$ 22,770	18,150
			Avg Actual Rent=	\$ 1,210	\$1.20 Annualized =			\$ 261,377	\$ 265,080	\$ 273,240	

Benchmarks			
Offering Price	\$2,450,000		
\$/unit	\$136,111		
\$/sf	\$134.99		
GRM	9.37	Actual	Proforma
CAP Before Reserves	6.7%	9.37	8.97
CAP After Reserves	6.5%	6.7%	7.2%
Cash on Cash	7.9%	6.5%	7.1%
DCR=	1.43	7.9%	10.1%
		1.43	1.55



Income			
1	A.	Total Potential Market Income	\$ 273,240
2	B.	Less: loss to market lease	\$ 8,160
3	C.	Total Potential Income (Street)	\$ 265,080
4	D.	Less: Loss to lease	\$ 3,703
5	E.	Total Income	\$ 261,377
6	F.	Less: vacancy 5.0%	\$ 13,069 market vacancy
7	G.	Effective Rental Income	\$ 248,308
8	H.	Plus: Other Income	\$ 5,620 water bill back - submeter
9	I.	Gross Operating Income	\$ 253,928

Expenses (Annual)	Proforma 2015		Based on:			
	\$/unit	%				
Real Estate Taxes	\$24,705	\$1,372	10%	65% of market value @ 46 mills		
Personal Property Tax						
Property Insurance	\$7,369	\$409	3%	Actual 2014		
Property Management:						
Off Site Management	\$27,170	\$1,509	11%	Est. @ 10% of gross income + NMGR		
Repairs and Maintenance	\$15,236	\$846	6%	Est.		
Utilities:						
Water, Sewer, & Garbage	\$5,620	\$312	2%	paid by landlord, reimburse by tenant		
Gas	\$0			paid by tenant		
Electric	\$0			paid by tenant		
Internet (SWCP)	\$1,464	\$81	1%	Est. -SWCP & Century Link		
Advertising/Licenses/ Commissions	\$1,000	\$56	0%	Craigslist		
Admin/Supplies	\$500	\$28	0%	Est.		
Pest Control	\$600	\$33	0%	6 units sprayed per month		
Unit Turnover						
Landscaping	\$1,200	\$67	0%	Est.		
Security Patrol (APD resident)	\$4,800	\$267	2%	APD officer - rent credit		
Other				repairs+unit turn+reserve=8to10%		
Reserve for replacement	\$4,050	\$225	2%	may be required by new lender		
Total Operating Expenses	\$93,714	\$5,206	37%			
Net Operating Income	\$160,214	\$8,901				
	ADS	Loan	LTV	Pmt	Term	Interest Rate
Less: Annual Debt Service	Potential \$111,724	\$ 1,837,500	75%	\$9,310	30	4.50%
Cash Flow Before Taxes	\$48,490					

Proforma 2016			Based on:		Forthcoming yr.
\$/unit	%		Income: Line C - F + H		
\$25,446	\$1,414	9%	Potential 2014 = 2013 + 3%		
\$7,590	\$422	3%	Potential 2014 = 2013 + 3%		
\$28,364					
\$15,693	\$872	6%	Potential 2014 = 2013 + 3%		
\$5,788	\$322	2%	Potential 2014 = 2013 + 3%		
\$1,508	\$84	1%	Potential 2014 = 2013 + 3%		
\$1,030	\$57	0%			
\$515	\$29	0%	Potential 2014 = 2013 + 3%		
\$618	\$34	0%	Potential 2014 = 2013 + 3%		
\$1,236	\$69	0%	Potential 2014 = 2013 + 3%		
			not needed after leaseup		
\$4,050	\$225	1%	included in R&M above		
\$91,838	\$5,102	34%			
\$173,529	Potential Market less 5% vacancy + other income				
ADS	Loan	LTV	Pmt	Term	Interest
\$111,724	\$ 1,837,500	75%	\$9,310	30	4.50%
\$61,804					

Financials - 5 year IRR

		Year						Calculated for
		1	2	3	4	5	6	1st year of next owners, ownership
Total Potential Market Income	3.5% Increases	\$273,240	\$282,803	\$292,702	\$302,946	\$313,549	\$324,523	
2 Less: loss to market lease	3.0%	\$8,160	\$8,446	\$8,741	\$9,047	\$9,364	\$9,692	
3 Total Potential Income (Max Rent)		\$265,080	\$274,358	\$283,960	\$293,899	\$304,185	\$314,832	
4 Less: Loss to lease	1.4%	\$3,703	\$3,832	\$3,967	\$4,105	\$4,249	\$4,398	
5 Total Income		\$261,377	\$270,525	\$279,994	\$289,794	\$299,936	\$310,434	
6 Less: vacancy	5.0%	\$13,069	\$13,526	\$14,000	\$14,490	\$14,997	\$15,522	
7 Effective Rental Income		\$248,308	\$256,999	\$265,994	\$275,304	\$284,939	\$294,912	
8 Plus: Other Income	2.0% Increases	\$5,620	\$5,732	\$5,847	\$5,964	\$6,083	\$6,205	
9 Gross Operating Income		\$253,928	\$262,731	\$271,841	\$281,268	\$291,023	\$301,117	
Total Operating Expenses	2.0% Increases	\$93,714	\$95,588	\$97,500	\$99,450	\$101,439	\$103,468	
Net Operating Income		\$160,214	\$167,143	\$174,341	\$181,818	\$189,584	\$197,649	
Mortgage Balance		\$1,837,500						
ADS		\$1,807,857	\$1,776,852	\$1,744,423	\$1,710,504	\$1,675,027		
- Principal Reduction		\$111,724	\$111,724	\$111,724	\$111,724	\$111,724		
= Mortgage interest		\$29,643	\$31,005	\$32,429	\$33,919	\$35,477		
- cost recovery (annual)	27.5 yrs @ 80%	\$82,081	\$80,719	\$79,295	\$77,805	\$76,247		includes mid mont
= Taxable Income		\$68,306	\$71,273	\$71,273	\$71,273	\$68,306		
Tax on income at ordinary income rate of	35%	\$9,827	\$15,151	\$23,773	\$32,740	\$45,031		
NOI		\$3,440	\$5,303	\$8,321	\$11,459	\$15,761		
- Annual Debt Service		\$160,214	\$167,143	\$174,341	\$181,818	\$189,584		
= Cash Flow Before Tax		\$111,724	\$111,724	\$111,724	\$111,724	\$111,724		
- Less Ordinary Income Tax		\$48,490	\$55,419	\$62,617	\$70,094	\$77,860		
= Cash Flow After Tax		\$3,440	\$5,303	\$8,321	\$11,459	\$15,761		
		\$45,051	\$50,116	\$54,296	\$58,635	\$62,099		

Sales Worksheet

Calculation of Adjusted Basis

Basis at Acquisition	\$2,450,000
+ Capital Additions	
-Cost Recovery (Depreciation) Taken	\$350,430
=Adjusted Basis at Sale	\$2,099,570

Calculation of Capital Gain

Disposition CAP Rate	7.0%	going in CAP + 0.05%
Sale Price	\$2,807,776	
-Costs of Sale	8.0%	\$224,622
-Adjusted Basis at Sale		\$2,099,570
=Gain or (Loss)		\$483,585
-Straight Line Cost Recovery (limited to gain)		\$350,430
=Capital Gain from Appreciation		\$133,154

Calculation of Sales Proceeds after tax

Sale Price	\$2,807,776	
-Cost of Sale	\$224,622	
-Mortgage Balance(s)	\$1,675,027	
=Sale Proceeds Before Tax	\$908,128	
-Tax: Straight Line Recapture at	25.0%	\$87,608
-Tax on Capital Gains at	23.8%	\$31,691
=SALE PROCEEDS AFTER TAX:	\$788,829	

IRR Before tax = 16.8%

n	\$
0	\$ (612,500)
1	\$48,490
2	\$55,419
3	\$62,617
4	\$70,094
5	\$77,860 + \$908,128

IRR After tax = 12.9%

n	\$
0	\$ (612,500)
1	\$45,051
2	\$50,116
3	\$54,296
4	\$58,635
5	\$62,099 + \$788,829

Comparable Properties

Comparable Sales Analysis for: 200 Rio Grande SW

Compiled by Todd Clarke CCIM



\$/unit



#	Name	Location	Units	List Price	Sales Price	Sales Date	\$/unit	\$/sf	Avg. Rent	GRM	CAP	Location
A1	Via Vista	532 Cancun Loop RR	128	unpriced		AVAIL						Rio Rancho
A2	Cantata Trails	6700 Cantata NW	260	unpriced		AVAIL		149.82				St. Pius
A3		1010 Lead SW	5	\$ 1,300,000		AVAIL	\$ 260,000	\$ 209	includes lots			Downtown
A4		424 Vassar SE	4	\$ 574,900		AVAIL	\$ 143,725	\$ 175	\$1,071	11.19	7.20%	UNM
A5	Vassar North	1920 Vassar NE	32	\$ 4,375,000		AVAIL	\$ 136,719	\$ 172	\$1,031	11.05	6.00%	UNM/Uptown
A6		200-210 San Clemente	30	\$ 2,975,000		AVAIL	\$ 99,167	\$ 69	\$958	8.62	6.00%	North Valley

Avg. A	Avg. =	77	AVAIL COMPS	\$ 159,903	\$ 155	\$1,020	10.29	6.40%
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S1	Washington	1000-1002 Central SW	16	\$ 1,625,000	\$ 1,550,000	8/13/13	\$ 96,875	\$ 85	\$859	9.48	7.00%	Downtown
S2	Las Manitas	6200 Montano Plaza N	300	\$ 49,900,000	\$ 46,325,000	12/1/14	\$ 154,417	\$ 136	\$1,136	11.33	5.95%	St. Pius
S3	Broadstone Town C	1801 Gibson SE	248		\$ 34,400,000	7/1/12	\$ 138,710	\$ 124				Airport
S4	Broadstone Santa M	6401 Santa Monica NE	280		\$ 43,400,000	12/1/14	\$ 155,000	\$ 138	\$1,158	11.15	5.50%	Far NE
S5	Links at High Resor	200 Pinnacle RR	301		\$ 32,450,985	8/1/12	\$ 107,811	\$ 99				Rio Rancho
S6	Agave Condos	1900 Central SW	11	\$ 2,100,000	\$ 1,800,000	11/15/12	\$ 163,636	\$ 89	\$1,345	10.14	6.10%	Downtown

Avg. S	Avg. =	193	SOLD COMPS	\$ 136,075	\$ 112	\$1,125	10.53	6.14%
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Subject Property	18	units	\$ 136,111	\$ 135	\$1,210	9.37	6.70%
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Average of Comparable SOLD applied to subject property		
\$/unit	\$ 136,075	\$ 2,449,345
\$/sf	\$ 111.89	\$ 2,030,743
GRM	10.53	\$ 2,672,912
CAP (Actual)	6.1%	\$ 2,610,795

Average of Comparable AVAIL applied to subject property		
\$/unit	\$ 159,903	\$ 2,878,247
\$/sf	\$ 154.84	\$ 2,810,324
GRM	10.29	\$ 2,612,343
CAP (Actual)	6.4%	\$ 2,503,349

Average= \$ 2,440,949

Average= \$ 2,701,066

Additional Information

Property Tours: April 9th, 2015 at 4pm

Register online for additional documentation and property tour

www.nmapartment.com/riograndelofts

Offer deadline: April 28th, 2015 at 5pm

Marketing Advisors

The owner and property are represented by Todd Clarke CCIM of NM Apartment Advisors Inc. NMAA has over a quarter century of experience of marketing apartments in the New Mexico area.



WELLS
FARGO

Financing quote provided by Wells Fargo Bank, who has expressed an interest in financing for the next buyer.

Please contact Tyler Smith at
Tyler.W.Smith2@wellsfargo.com
(505) 765-5099



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Albuquerque NM

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