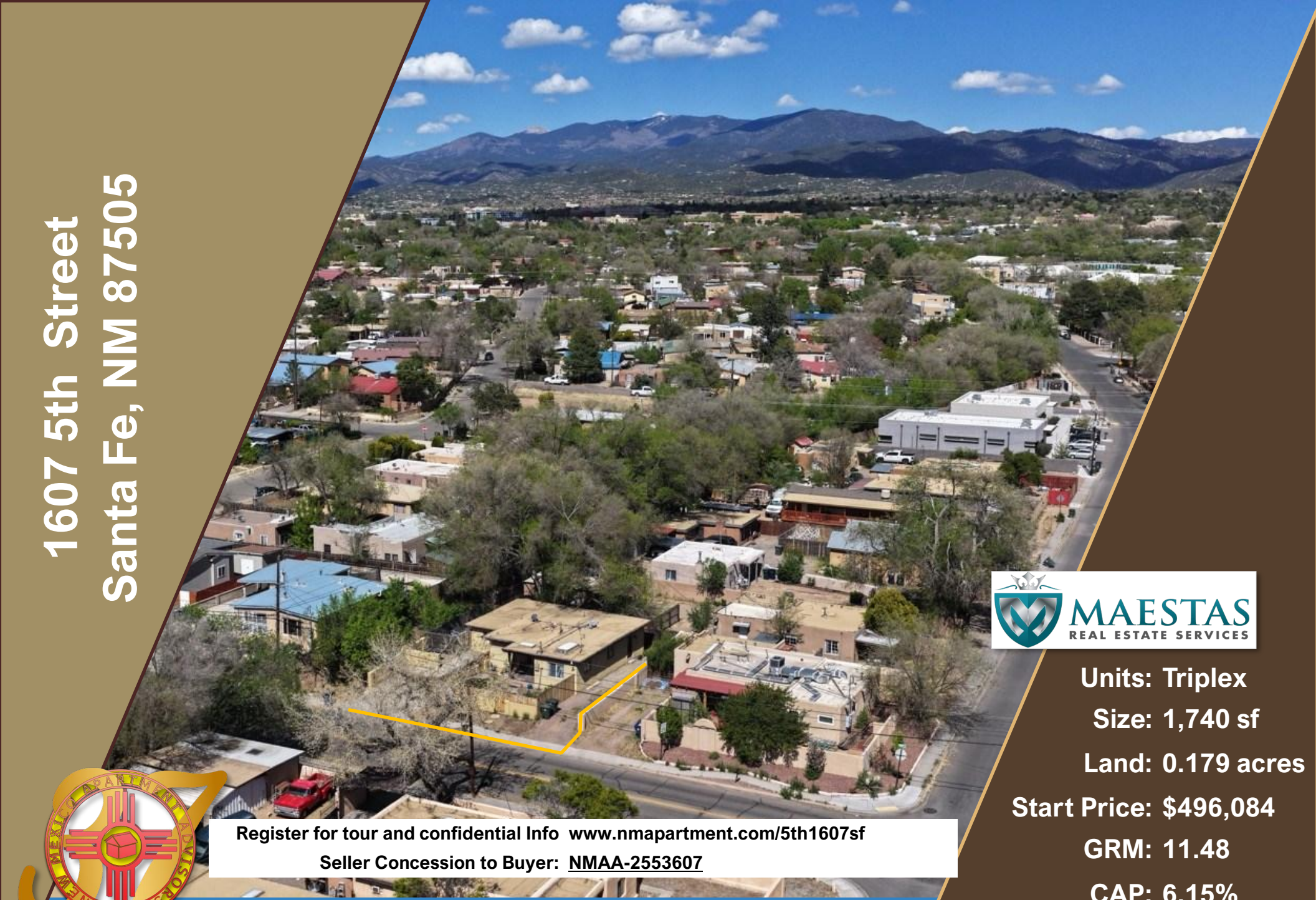
1607 5th Street
Santa Fe, NM 87505



MAESTAS
REAL ESTATE SERVICES

Units: Triplex
Size: 1,740 sf
Land: 0.179 acres
Start Price: $496,084
GRM: 11.48
CAP: 6.15%

Register for tour and confidential Info www.nmapartment.com/5th1607sf
Seller Concession to Buyer: NMAA-2553607

Santa Fe Gem for owner occupant

Property Information

On behalf of the owners, NM Apartment Advisors and Maestas Realty Services are pleased to present this gem of a Santa Fe area triplex.

Located at 1607 5th Street this community is walking distance to multiple parks, retail establishments, and restaurants as well as biking distance to the dozens of miles of Santa Fe's outdoor hiking/biking trails. This property is also walking distance to the upcoming Midtown redevelopment area (https://midtown.santafenm.gov/)

This triplex contains three one bedroom, one bathroom units with a current average rent of $1,270 which leaves a long runway to increase value by raising rents closer to the market average of $1,648.

Do not miss out on this opportunity to be an owner occupant or investor in a market with strong job growth and a housing shortage.



The Property

Address:	1607 5th Street
Number of units:	Triplex — On 1 parcel
Year of construction:	1980
Bldg. Size:	1,740 sf
Site Size:	0.11 acres
Avg. Unit Size:	580 sf
UPC#:	1-052-097-370-322-000-000
Zoning:	R-5
Legal:	Lot 8, Block 8, Royal Heights Subdivision
Ask Price:	**$496,084**
$/ unit:	$165,361
$ /sf:	$285.11

	2025	2027 Proforma
Avg Rent:	$1,270	$1,648
GRM:	10.85	8.36
Cap Rate Before reserves:	5.89%	7.98%
Cap Rate After Reserves:	5.76%	7.84%
Year 1 NOI:	$28,553	$38,904
IRR Before Tax	16.7%	
IRR After Tax	12.9%	

Annual Property Operating Data (APOD)

NM Apartment Advisors Financial Overview for: **1607 5th Street Santa Fe** 1607 5th Street Santa Fe

Prepared by: Todd Clarke CCIM 4/19/2026 **"As Is Condition"**

Unit/Rent Summary

								E	C	A	
#	Type	Style	Approx Size	Actual Rent	80% of AMI for Santa Fe	Market Rent	Actual Rent $/sf	Total Actual	Total Max Rent for this type	Total Market Potential	Total sf
1	A	1/1 lease until September 2026	580	$ 1,280	$ 1,532	$ 1,648	$ 2.21	$ 1,280	$ 1,532	$ 1,648	580
1	B	1/1 month - month	580	$ 1,430	$ 1,532	$ 1,648	$ 2.47	$ 1,430	$ 1,532	$ 1,648	580
1	C	1/1 month - month	580	$ 1,100	$ 1,532	$ 1,648	$ 1.90	$ 1,100	$ 1,532	$ 1,648	580
3	total units / avg Unit size =		580	sf			Total=	$ 3,810	$ 4,596	$ 4,944	1,740
	1 floorplan / Avg. Rent =			$ 1,270	$ 1,532	$ 1,648	Annualized =	$ 45,720	$ 55,152	$ 59,328	

Benchmarks

		Actual	Proforma
Offering Price	**$496,084**		
$/unit	$165,361		
$/sf	$285.11		
GRM		10.85	8.36
CAP Before Reserves		5.89%	7.98%
CAP After Reserves		5.76%	7.84%
Cash on Cash		0.00%	10.43%
DCR=		1.00	1.36

Walk Score:46, Bike Score: 70

Income

A.	**Total Potential Market Income**		**$ 59,328**	
B.	Less: loss to market lease		$ 4,176	7%
C.	**Total Potential Income (Street)**		**$ 55,152**	
D.	Less: Loss to lease		$ 9,432	17%
E.	**Total Income**		**$ 45,720**	
F.	Less: vacancy	5.0%	$ 2,286	
G.	**Effective Rental Income**		**$ 43,434**	
H.	Plus: Other Income		$ -	0%
I.	**Gross Operating Income**		**$ 43,434**	

	Expenses (Annual)	**Estimate 2025**	**$/unit**	**%**	**Based on:**	**Proforma 2027**	**$/unit**	**%**	**Based on:** Forthcoming yr. Income: Line A - F + H
20	Real Estate Taxes	$3,393	$1,131	8%	2025 Actual	$6,995	$2,332	12%	Estimated at 85% of sales price
21	Personal Property Taxes				$ 445,286 total assessment				$ 421,671 Potential assessment
22	Property Insurance	$3,800	$1,267	9%	2027 Actual	$3,800	$1,267	6%	Estimate
23	Property Management:								
24	Off Site Management				Likley owner occupant				Likley owner occupant
27	Taxes/Workman's Compensation								
28	Repairs and Maintenance & Cleaning	$2,606	$869	6%	Estimate	$2,684	$895	5%	Potential 2027 = 2025 + 3%
29	Utilities:	$1,980	$660	5%	Estimate	$2,039	$680	3%	Potential 2027 = 2025 + 3%
30	Water, Sewer, & Garbage								
37	Advertising/Licenses/ Commissions	$255	$85	1%	Estimate	$263	$88	0%	Potential 2027 = 2025 + 3%
38	Admin/Supplies	$972	$324	2%	Estimate	$1,001	$334	2%	Potential 2027 = 2025 + 3%
47	Unit Cleaning & Maintenance	$1,200	$400	3%	repairs+unit turn+reserve=8% to 12%				
48	Reserve for replacement	$675	$225	2%	Required by most lenders	$675	$225	1%	new lender will require
49	**Total Operating Expenses**	$14,881	$4,960	34%		$17,458	$5,819	29%	
50	**Net Operating Income**	**$28,553**	$9,518			**$38,904**	Potential Market less 5% vacancy + other income		

	ADS	Loan	LTV	Pmt	Term	Interest Rate	ADS	Loan	LTV	Pmt	Term	Interest
Less: Annual Debt Service	$28,553	$ 396,867	80%	$2,379	30	6.00%	$28,553	$ 396,867	80%	$2,379	30	6.00%
Cash Flow Before Taxes	**$0**		Loan Quote:		Owner occupant lender		**$10,351**					

5 year forecast, Internal Rate of Return (IRR)

			Year 1	2	3	4	5	Calculated for 1st year of next owners, ownership 6
1 Total Potential Market Income	3.5% Increases		$59,328	$61,404	$63,554	$65,778	$68,080	$70,463
2 Less: loss to market lease	7.0%		$4,176	$4,322	$4,473	$4,630	$4,792	$4,960
3 Total Potential Income (Max Rent)			$55,152	$57,082	$59,080	$61,148	$63,288	$65,503
4 Less: Loss to lease	17.1%		$9,432	$9,762	$10,104	$10,457	$10,823	$11,202
5 Total Income			$45,720	$47,320	$48,976	$50,691	$52,465	$54,301
6 Less: vacancy	5.0%		$2,286	$2,366	$2,449	$2,535	$2,623	$2,715
7 Effective Rental Income			$43,434	$44,954	$46,528	$48,156	$49,842	$51,586
8 Plus: Other Income	2.0% Increases		$0	$0	$0	$0	$0	$0
9 Gross Operating Income			$43,434	$44,954	$46,528	$48,156	$49,842	$51,586
Total Operating Expenses	1.5% Increases		$14,881	$15,104	$15,331	$15,561	$15,794	$16,031
Net Operating Income			$28,553	$29,850	$31,197	$32,595	$34,047	$35,555
Mortgage Balance			$391,994	$386,819	$381,326	$375,494	$369,302	
ADS			$28,553	$28,553	$28,553	$28,553	$28,553	
- Principal Reduction			$4,874	$5,174	$5,493	$5,832	$6,192	
= Mortgage interest			$23,679	$23,379	$23,060	$22,721	$22,361	
- cost recovery (annual)	27.5 yrs @	80%	$13,831	$14,432	$14,432	$14,432	$13,831 includes mid mo	
= Taxable Income			-$8,957	-$7,961	-$6,295	-$4,557	-$2,145	
Tax on income at ordinary income rate of		35%	$0	$0	$0	$0	$0	
NOI			$28,553	$29,850	$31,197	$32,595	$34,047	
- Annual Debt Service			$28,553	$28,553	$28,553	$28,553	$28,553	
= Cash Flow Before Tax			$0	$1,297	$2,644	$4,042	$5,494	
- Less Ordinary Income Tax			$0	$0	$0	$0	$0	
= Cash Flow After Tax			$0	$1,297	$2,644	$4,042	$5,494	

Sales Worksheet

Calculation of Adjusted Basis		
1 Basis at Acquisition		$496,084
2 + Capital Additions		
3 -Cost Recovery (Depreciation) Taken		$70,956
4 =Adjusted Basis at Sale		$425,128
Calculation of Capital Gain		
Disposition CAP Rate	5.76%	
5 Sale Price		$617,737
6 -Costs of Sale	8.0%	$49,419
7 -Adjusted Basis at Sale		$425,128
8 =Gain or (Loss)		$143,190
9 -Straight Line Cost Recovery (limited to gain)		$70,956
# =Capital Gain from Appreciation		$72,234
Calculation of Sales Proceeds after tax		
# Sale Price		$617,737
# -Cost of Sale		$49,419
# -Mortgage Balance(s)		$369,302
# =**Sale Proceeds Before Tax**		$199,015
# -Tax: Straight Line Recapture at	25.0%	$17,739
# -Tax on Capital Gains at	20.0%	$14,447
# =**SALE PROCEEDS AFTER TAX:**		$166,830

IRR Before tax = 16.7%

n	$	
0	$ (99,217)	
1	$0	
2	$1,297	
3	$2,644	
4	$4,042	
5	$5,494 +	$199,015

IRR After tax = 12.9%

n	$	
0	$ (99,217)	
1	$0	
2	$1,297	
3	$2,644	
4	$4,042	
5	$5,494 +	$166,830

As a commercial real estate investor, the federal tax code gives you three advantages compared to other investments including:

1. Deduct your annual mortgage interest before you calculate your taxable amount;

2. Deduct your cost recovery/depreciation before you calculate your taxable amount, in the future when you sell the property, you only pay back 25% of the benefit you received;

3. Your long term profit, or capital gain, is taxed at 20%

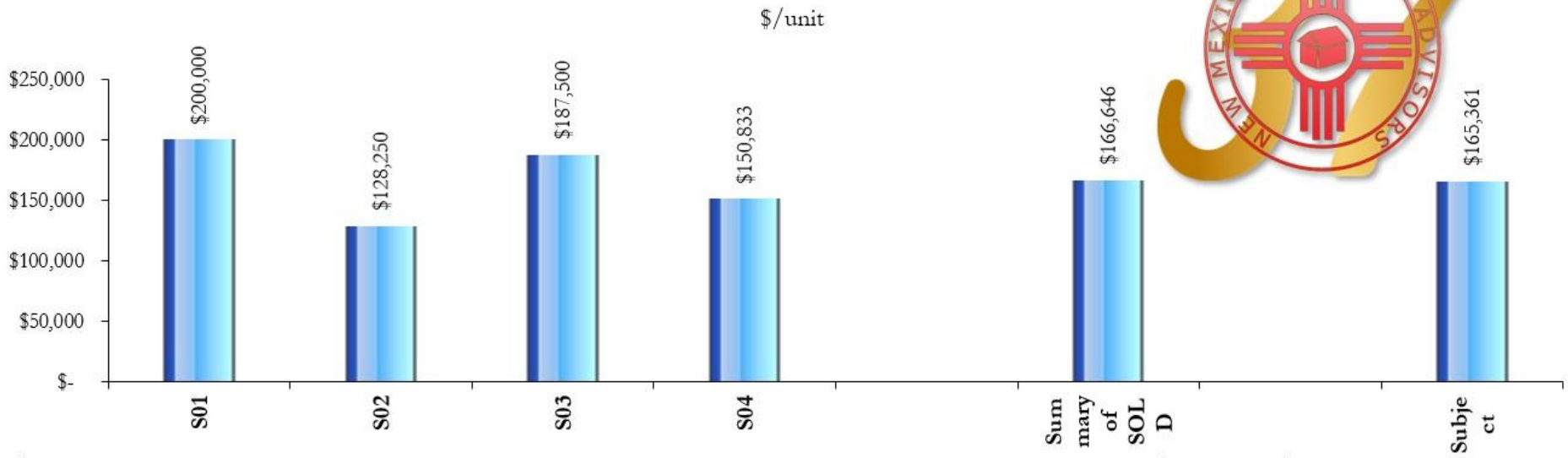
The combination of these benefits could help lower an investor's effective federal tax rate from 35% federal tax rate to only 23%.

Investor's Effective Tax Rate = 23%

Comparable Sales

Comparable Sales Analysis for: 1607 5th Street Santa Fe

Compiled by Todd Clarke CCIM



#	Name	Location	City	Units	Age	List Price	Sales Price	Sales Date	DOM	$/unit	$/sf	Avg. Rent	GRM	CAP *
S01		149 Candelario	Santa Fe	3	1917	$ 650,000	$ 600,000	9/8/25	193	$ 200,000	$ 301			
S02		509 Silva Street	Santa Fe	4	1970	$ 799,000	$ 513,000	5/21/25	232	$ 128,250	$ 225			
S03		1853 Mann Street	Santa Fe	4	1955	$ 800,000	$ 750,000	9/30/25	191	$ 187,500	$ 306			
S04		2382 Camino Capitan	Santa Fe	6	1980	$ 854,627	$ 905,000	8/1/25		$ 150,833	$ 229	$1,188	10.58	5.7%
												Est 5% vac, 40% expenses		
Summary of SOLD										**$ 166,646**	**$265**	**$1,188**	**10.58**	**5.70%**
Subject	**1607 5th Street Santa Fe**						**$ 496,084**			**$ 165,361**	**$285**	**$1,270**	**10.85**	**5.76%**

Average of Comparable SOLD applied to subject property

$/unit	$ 166,646	=	$	499,938
$/sf	$ 265	=	$	461,450
CAP (Actual)	5.7%	=	$	500,927
GRM (Actual)	10.58	=	$	459,532
Average=			**$**	**480,462**

Location Aerial



Property Photos









Property Photos - Interior (provided by owner)



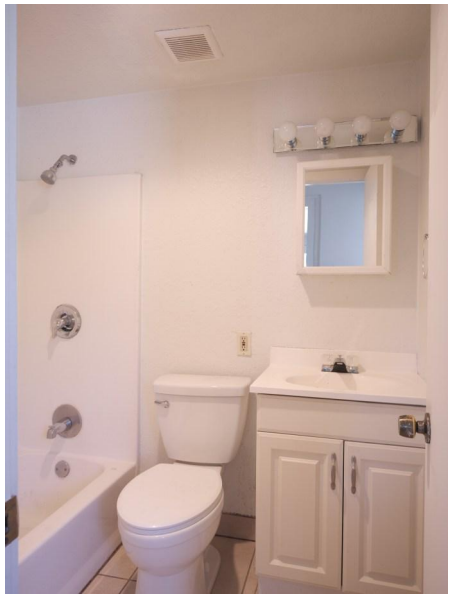






Property Photos - Interior (provided by owner)









The Market—Santa Fe, NM

- USA Today—3rd best destination in USA
- Times Greatest places of 2021
- Outside Magazine names Santa Fe as one of their America's Smartest Towns for "The Dream Town Blueprint"
- The Travel + Leisure 2018 World's Best Reader's Choice Awards names Santa Fe #4 of the Top 15 Cities in the U.S.
- TripAdvisor chose Santa Fe as one of the 15 Best Solo Vacations in America
- Santa Fe was named one of the Top 5 Destinations Design and Music Lovers Should Visit in July by Architectural Digest
- TravelPulse chose Santa Fe restaurant, Santa Fe Bite, for having The Best Burger in New Mexico
- Readers Digest honored Santa Fe on a list of the The Best Weekend Getaways in Every State
- The Santa Fe Margarita Trail made the list of The 10 Best Food and Drink Trails to Explore in America by Popsugar
- CBS Local named Santa Fe as having the "Best Art Museums In The Southwest"
- Santa Fe named the #3 Best Small City in America to Live by Apartment Therapy
- Insurify recognizes Santa Fe at the Greenest City in New Mexico in their Greenest City Awards
- The Daily Meal ranks Santa Fe Bite the #8 Best Burger in America
- Santa Fe, NM ranks In The Top 100 Creative Economies In The US by Creative Vitality Suite
- Santa Fe was named one of the Top 20 Cities for LGBT-Friendly Retirement in 2018 by SeniorAdvice
- Expedia names Santa Fe one of the most delicious destinations in the U.S.
- Santa Fe is highlighted on Expedia list of America's most artistic towns
- U.S. News & World Report ranks the Inn of the Five Graces as the best hotel in New Mexico as part of the Best Hotels in Every State report
- Santa Fe one of only two cities recognized worldwide in "Best Food/Beverage Destination Experience" category in the 2018 Foodtrekking Awards by the World Food Travel Association
- Santa Fe makes TripAdvisor's list of the Top 30 USA Cities to Visit in 2018
- BestProducts.com names Santa Fe one of The 50 Best Places to Visit in the USA

TOURISM SANTA FE

filmnewmexico



NETFLIX

Santa Fe has its own studio production facility on the south part of town, and is due north of the Netflix studios which are undergoing a billion dollar expan-



NEW MEXICO TRUE

Santa Fe - Midtown Redevelopment





https://midtown.santafenm.gov/

Aspect Media Signs new leases

Contact: Phillip Gesue

917.892.0060

SANTA FE, N.M. (September 5, 2025) – Six new leases have been announced at the burgeoning Aspect Media Village, giving new life to Santa Fe's Midtown redevelopment.

"In just a few short months, Aspect Media Village has attracted a crop of local entrepreneurs and visionaries who have chosen to call Midtown their home," said Gesue. "These groups bring creative spirit and a substantial economic impact, including many new jobs, to the center of the city."

The six new leases include: TenderFire Kitchen, a Mediterranean inspired full service restaurant; Sky Cinema/Café/Bar, an expansion of Santa Feans favorite cinema in the railyards; DeadEye Post-Production, a film and TV company dedicated to quality post-production; Wise Fool Circus Arts, a Santa Fe circus activities center for young people; Woodruff Scientific, a sustainable energy company; and the New Mexico Innovation Hub, a business incubator dedicated to fostering growth in tech and sustainable energy.

TENDER FIRE KITCHEN has served the Santa Fe community with organic, locally sourced and delish food since its opening 2020. Since the beginning they have focused on creating a high quality a product by putting local first and giving the community an inclusive, healthy and fun dining experience featuring their organic sourdough pizzas. With the expansion into their first brick & mortar at the Aspect Media Village, they aim to continue this community centric dining environment while pushing healthy eating, local sourcing and flavors to new limits.

SKY CINEMA brings Santa Fe a curated mix of independent, foreign language and documentary films along with the occasional blockbuster when it opens later this year. Guests can relax into luxury seating with perfect sight lines to experience films all day long across two screens while enjoying their favorite coffee drinks during the day and craft cocktails, beer and wine at night.

"Sky Midtown will be a spectacular screening and event venue and a wonderful addition to the cinema landscape of this city," said Bill Banowsky, a film and theater veteran who also owns Sky Cinema Railyard. "We are excited to be part of the effort to revive the Midtown campus as a mecca for the arts and artists."

DEAD EYE POST-PRODUCTION is a boutique post-production and design studio offering filmmakers, studios, creatives, and agencies tailored services and workflows to enhance the creative process, from dailies to final color. DeadEye has developed quality post-production facilities to attract major film and TV projects and compete with post-production houses in California and elsewhere.

"I established DeadEye in 2022 with a mission to expand opportunities in post-production and design for New Mexicans pursuing careers in film, television, and advertising," said Vince Rose, owner and creative director. "Our new home at Aspect Village Media will enhance our facilities and make us more competitive in the post-production marketplace." DeadEye will be occupying the Benildus building.

WISE FOOL CIRCUS ARTS is an innovative, super-creative program for youth to teach circus skills such as trapeze, lyra, partner acrobatics, flexibility, juggling, unicycling, handstands, conditioning, and more! It served the Santa Fe community until it lost its lease several months ago and has been searching for the right location since.

"Wise Fool serves 2,000 youth and adults with hands-on activities and 14,000 audience members annually with high-quality experiences built upon our core values of community, arts accessibility, and social justice," said Alishiya Kapoor, Executive Director. "Our move to the Garson Building at Aspect Media Village gives us a fabulous space all our own to implement our circus program for youth and adults in a wonderful and imaginative way."

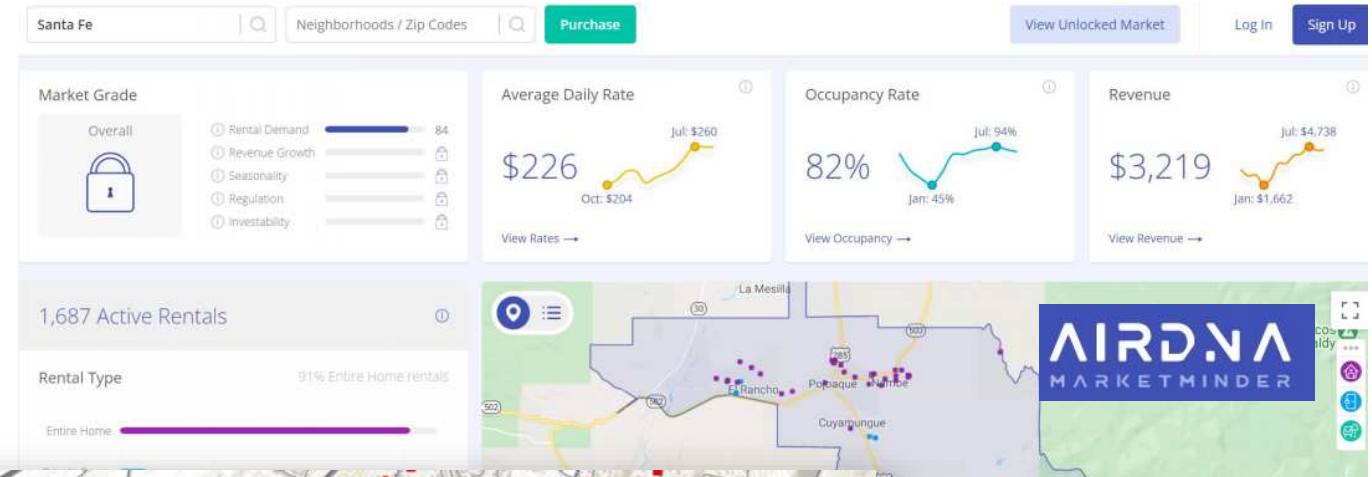
Short Term Rentals

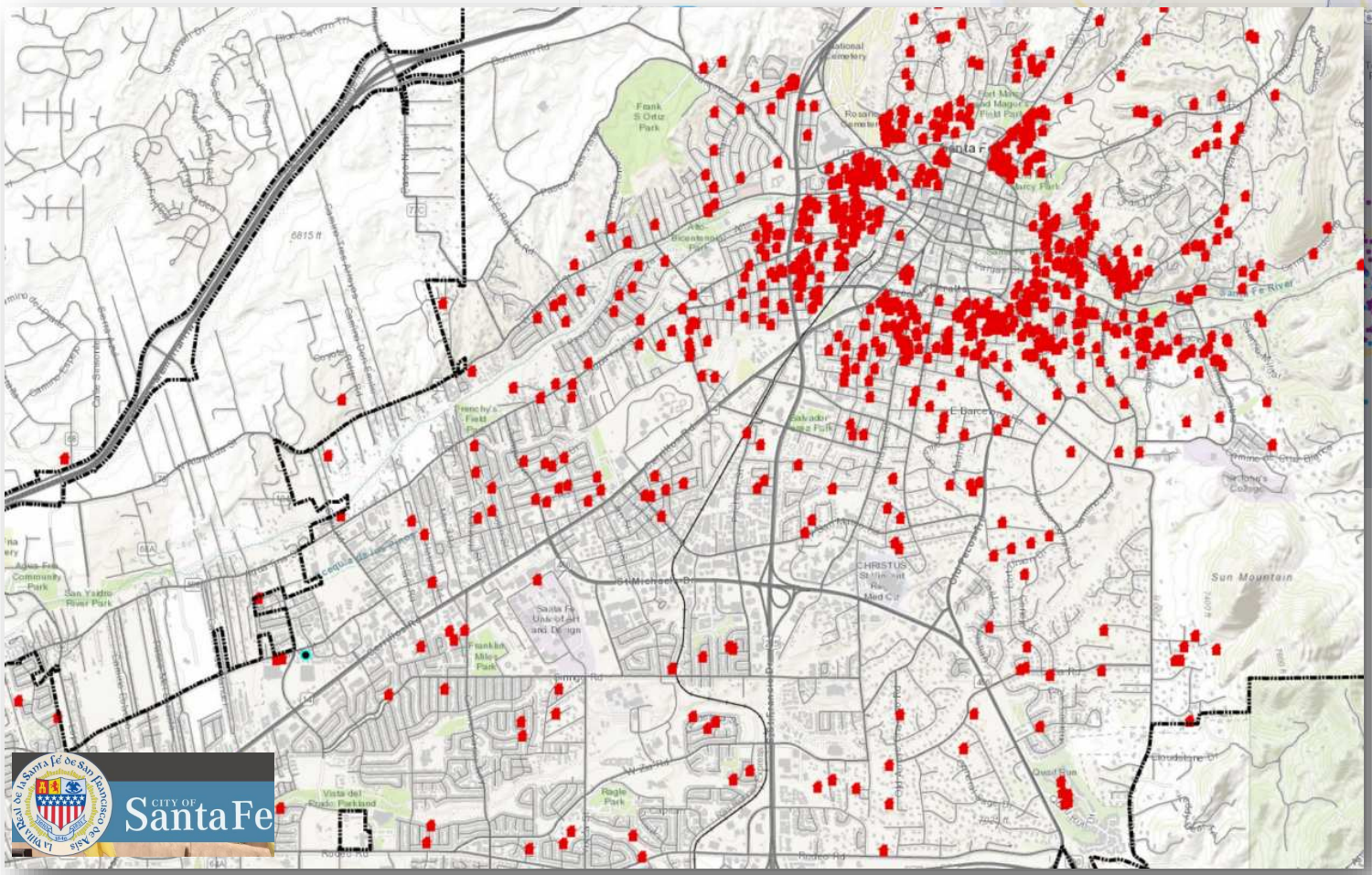
As one of the international destinations on this planet, Santa Fe is also a top vacation rental market.

With an average daily rate that is double the average hotel rate and an occupancy that is 17% higher that the state wide hotel occupancy (pracademic), this is a very attractive market for short term rentals.

Short term rentals in Santa Fe we regulated and require the owner to register—more info at

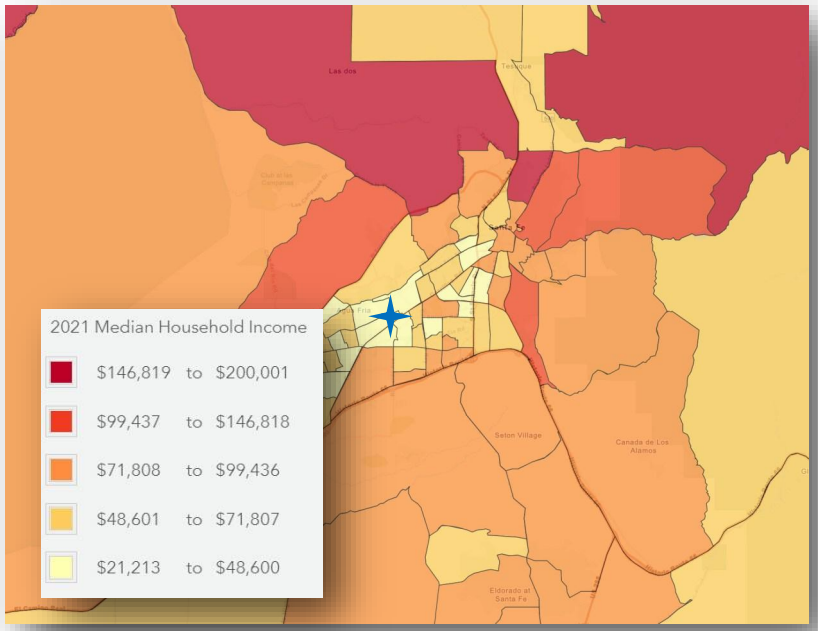
https://www.santafenm.gov/short_term_rentals/





Demographics - and opportunity zone







Opportunity Zone

The subject property is located in an opportunity zone and is in a qualified census tract.

Distance from Santa Fe,

Los Alamos, NM	34 miles
Albuquerque	64 miles
Denver, CO	393 miles

Air Travel to Santa Fe

Although Albuquerque contains the largest airport in the region, the Santa Fe Airport offers three nonstop flights to Denver, Dallas and Phoenix.

Wikipedia on Santa Fe

Santa Fe is the capital of the U.S. state of New Mexico. It is the fourth-largest city in New Mexico with a population of 84,683 in 2019, the county seat of Santa Fe County, and its metropolitan area is part of the larger Albuquerque–Santa Fe–Las Vegas combined statistical area, with a population of 1,178,664 in 2018. The city was founded in 1610 as the capital of Nuevo México, after it replaced the capital San Juan de los Caballeros (near modern Española) at San Gabriel de Yungue-Ouinge, which makes it the oldest state capital in the United States. With an elevation of 7,199 feet (2,194 m), it is also the state capital with the highest elevation.

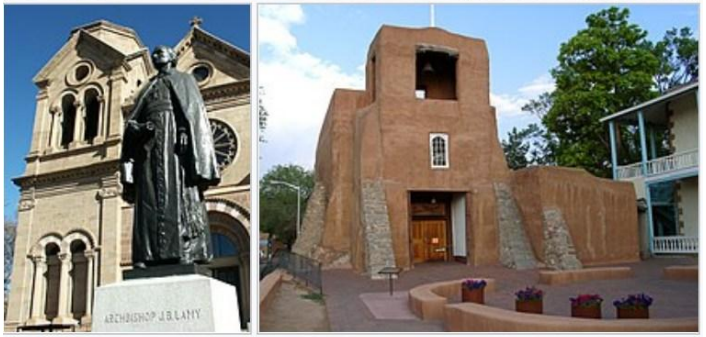
It is considered one of the world's great art cities,due to its many art galleries and installations, and is recognized by UNESCO's Creative Cities Network. Cultural highlights include Santa Fe Plaza and the Palace of the Governors, and the Fiesta de Santa Fe, as well as distinct New Mexican cuisine restaurants and New Mexico music performances. Among the numerous art galleries and installations are, for example, the Georgia O'Keeffe Museum, as is a gallery by cartoonist Chuck Jones, along with newer art collectives such as Meow Wolf.

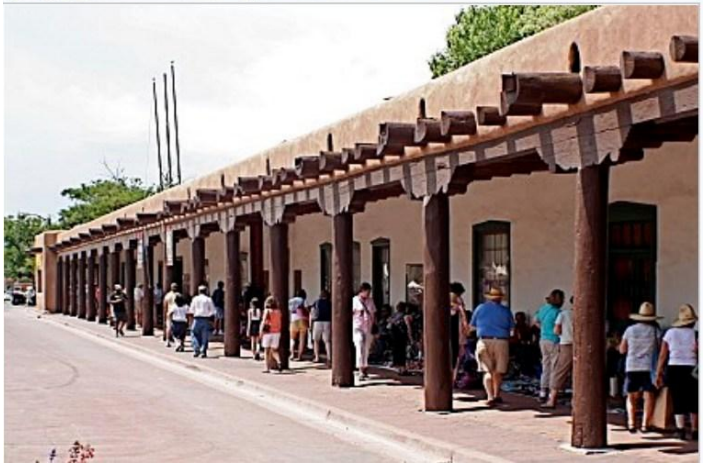
The area surrounding Santa Fe was occupied for at least several thousand years by indigenous people who built villages several hundred years ago on the current site of the city. It was known by the Tewa inhabitants as Ogha Po'oge ('white shell water place'). The name of the city of Santa Fe means 'Holy Faith' in Spanish, and the city's full name as founded remains La Villa Real de la Santa Fe de San Francisco de Asís ('The Royal Town of the Holy Faith of Saint Francis of Assisi').

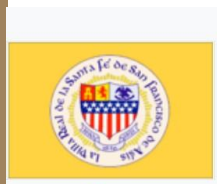
- https://en.wikipedia.org/wiki/Santa_Fe,_New_Mexico











Flag



Coat of arms

Area Info - Santa Fe a UNESCO Creative city



Culture has always been at the heart of Santa Fe and has been an integral part of the city's history and cityscape. The exchange of goods and ideas is deeply rooted in Santa Fe, starting with the trade fairs attended by Native Americans and Mexico's indigenous population, to El Camino Real and the Santa Fe Trail, to the vibrant markets and art fairs of today. Santa Fe's appointment to the UNESCO Creative Cities Network is a testament to the city's important achievements in cultural industry development.

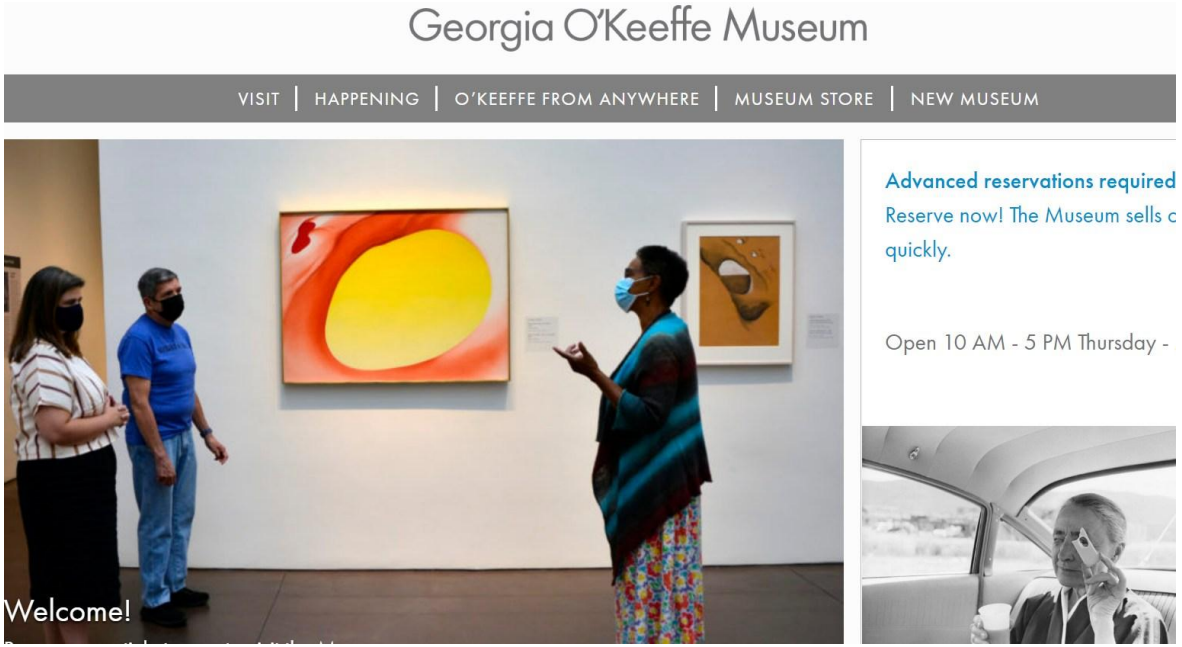


Santa Fe has a wealth of cultural resources that have helped build the city into what it is today. Native American traditions, including weaving, pottery, jewelry and dance remain an important part of contemporary Native culture and are present throughout the city. Spanish colonial art forms also continue to thrive today including folkloric dances, straw applique and tinwork. Santa Fe, where one in 10 jobs are tied to arts and cultural industries, is also home to more than 250 galleries, a vibrant performing arts community and an impressive range of museums.

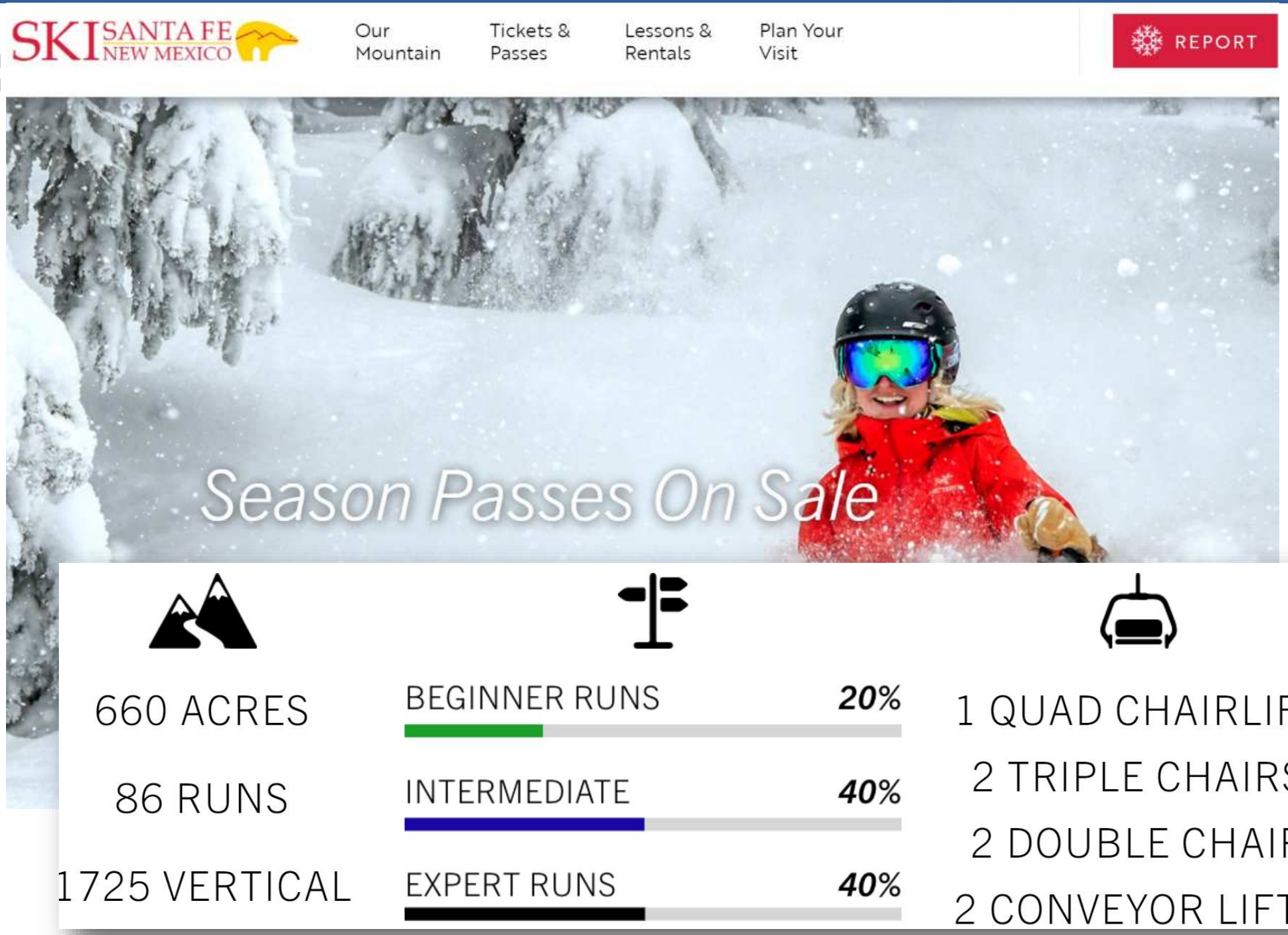
Three major annual art markets are organized: the Santa Fe International Folk Art Market; the Traditional Spanish Colonial Market and the Indian Market. Santa Fe is also proud to have the highest percentage of writers and authors in the labor force in the US.



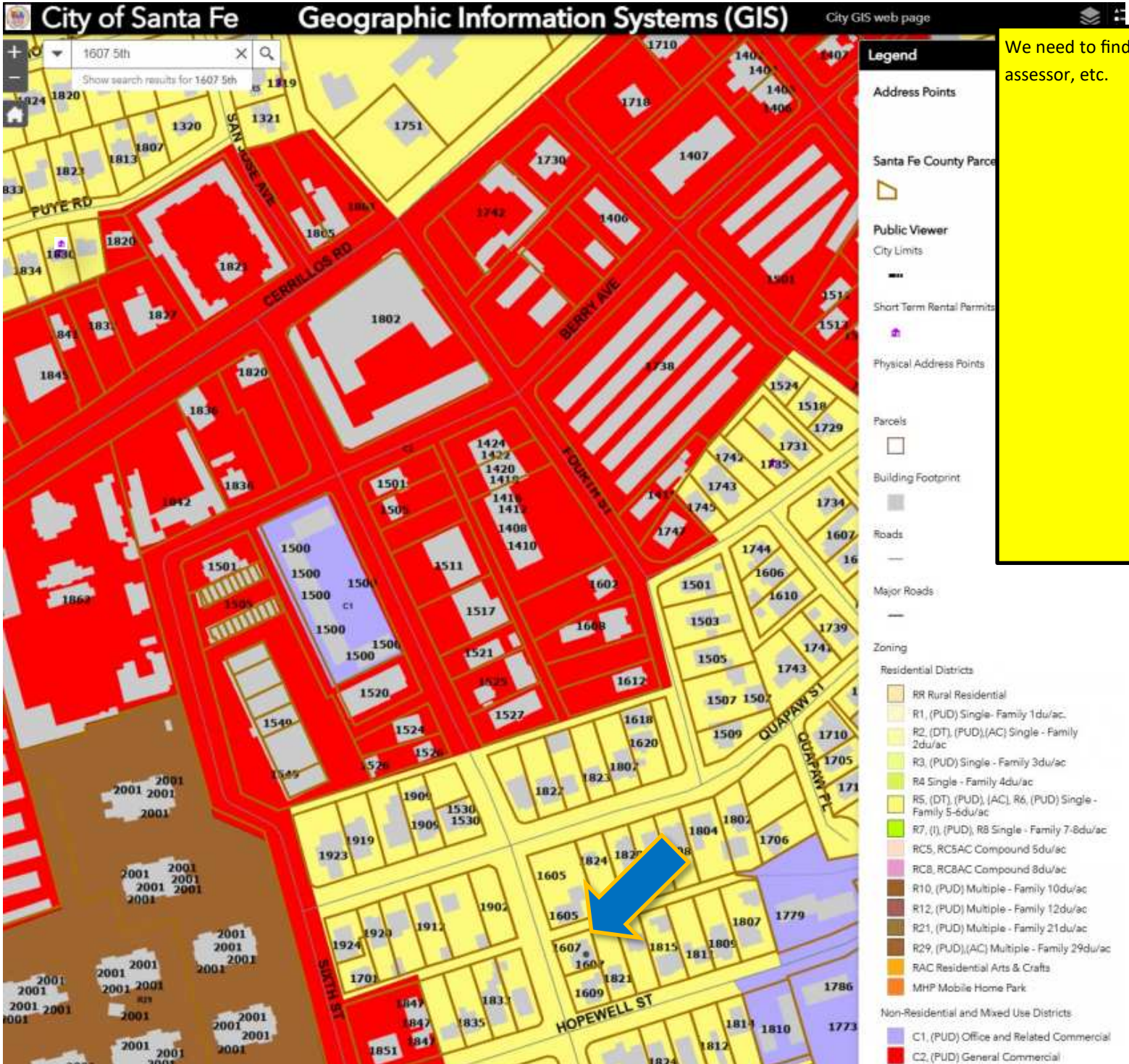
One percent of Santa Fe's hotel tax supports local arts organizations, helping to maintain a flourishing arts community, employ artists and attract tourism. Furthermore, two percent of the cost of city buildings and infrastructure support site-specific public artworks. The Railyard, for example, is home to galleries, restaurants and the Santa Fe Farmers' Market, one of the most widely recognized farmers' markets in the United



Area Info - Santa Fe Ski Area



Santa Fe - GIS



We need to find info on zoning, property card from assessor, etc.

Walk Score 84 — **Very Walkable**
Most errands can be accomplished on foot.

Bike Score 67 — **Bikeable**
Some bike infrastructure.

Reasons to invest in Santa Fe/Albuquerque, NM

Albuquerque is home to three of the six F.A.A.N.G. tech companies:

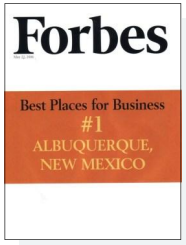
	Facebook	Data Center
A	amazon	Distribution center under construction—announced 1,000 new jobs
A	Apple	
N	NETFLIX	announced $1 Billion of new programming
G	Google	

Due to Sandia and Los Alamos National (nuclear) Laboratories - New Mexico has more PhDs per capita than any other state.

#3rd place in United States for Film and TV

The city has made a major investment in its transportation corridor - along historic Route 66 the new A.R.T. or Albuquerque Rapid Transit has been installed - a $130M investment and upgrade into this transit corridor. Did you know that apartment communities in the top 10% of walk, bike or transit scores achieve 25% higher rents?

Albuquerque offers over 300 days of sunshine, ski and golf in the same day, hundreds of miles of biking/hiking trails, more parks/open space per person and North America's largest bosque forest.

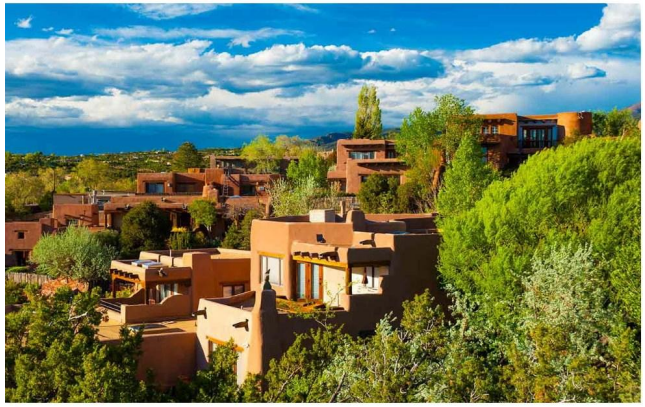


Albuquerque, New Mexico in the news

- ☑ **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
- ☑ **One 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– June 2012
- ☑ **Top 25 best places to Retire**
  CNNMoney.com—Sept. 2011
- ☑ **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
- ☑ **UNM Anderson School Ranked in Global 100**
  Aspen Institute, October 2007

Kiplinger Millionaires in America 2020: All 50 States Ranked | Slide 9 of 52

44. New Mexico



MILLIONAIRE HOUSEHOLDS: 40,450
TOTAL HOUSEHOLDS: 813,135
Concentration of Millionaires: 4.97%

RANK: 44 (+1 from last year)

MEDIAN INCOME FOR ALL HOUSEHOLDS: $47,169

MEDIAN HOME VALUE: $174,700

New Mexico is a land of stark contrasts when it comes to its millionaire population. Los Alamos, New Mexico – best known for the world-famous Los Alamos National Laboratory – seems like an unlikely place to find a lot of millionaires. **But at 13.2%, it has the second-highest concentration of millionaires per capita of any city in the U.S.**

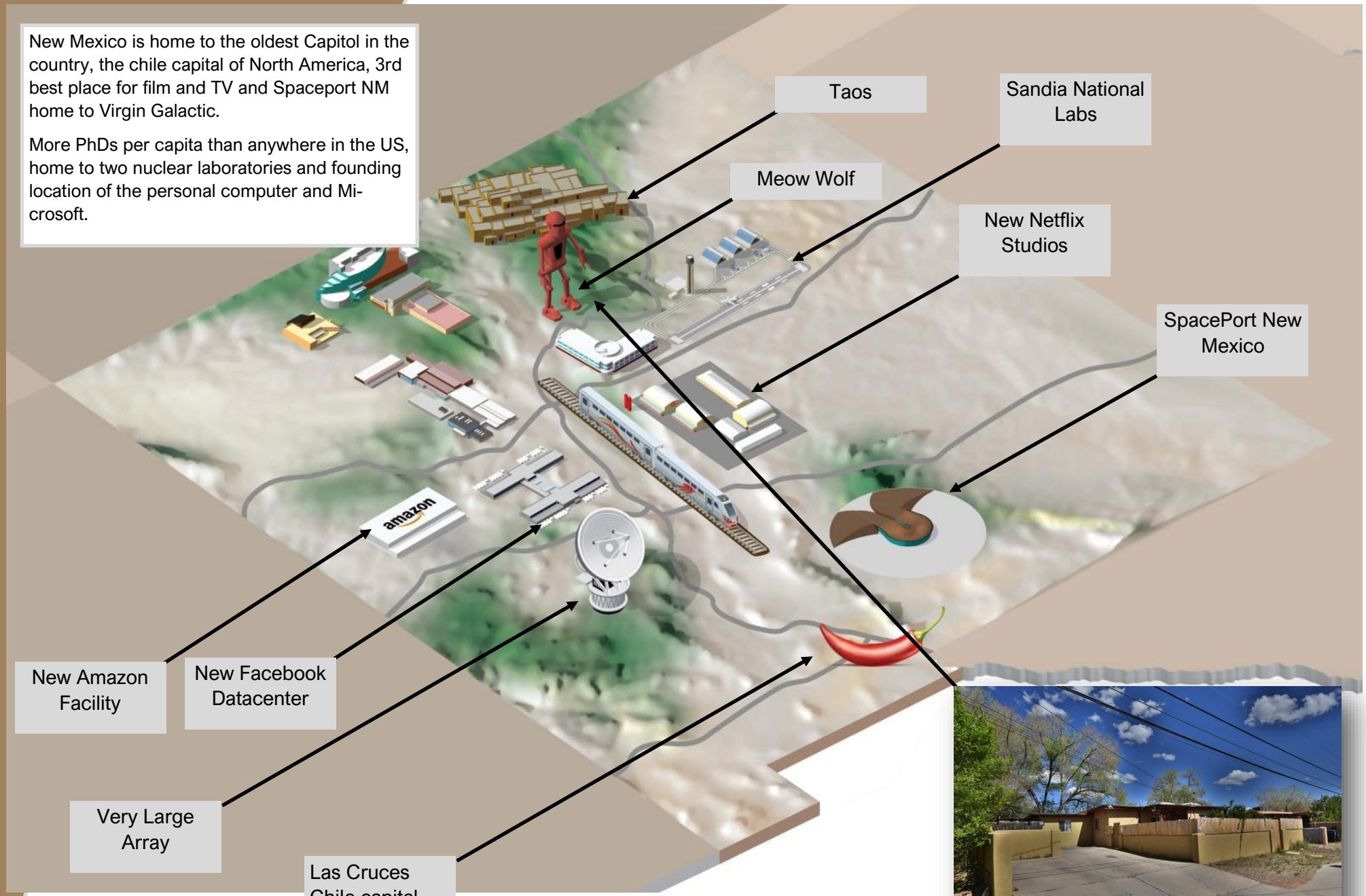
In addition to medicine, top-paying jobs are found in general internal medicine, engineering management and psychiatry.

Yet outside of Los Alamos, the state's concentration of millionaires puts it in the bottom 10 in the U.S. Fewer than 1 in 20 households claiming investable assets of $1 million or more.

New Mexico is on the international map

New Mexico is home to the oldest Capitol in the country, the chile capital of North America, 3rd best place for film and TV and Spaceport NM home to Virgin Galactic.

More PhDs per capita than anywhere in the US, home to two nuclear laboratories and founding location of the personal computer and Mi-crosoft.



Multifamily investment sales process and thoughts:

My name is Todd Clarke CCIM CIPS and I am a commercial Realtor who has been selling apartment investments for over 37 years. In that time, I have listed/sold over 19,439 units totaling $915.84M in over 1,009 transactions. I also teach investment sales analysis for the CCIM institute (28 years, over 4,000 students in a dozen countries). I share this with you so you know that the balance of this document comes from experience, and my ideals about how the apartment business runs. This also gives you insight into how we counsel and advocate for our clients.

Most of your **Buyer's questions** about rents, expenses, and property info can be answered by downloading the flyer & APOD (Annual Property Operating Data) from the document center. **Please READ THEM. If you are new to investment sales, I am glad to assist you, but please know:**

Showings/Tours

- Residents have rights under the NM Landlord Resident Relations act, and Landlords take that law seriously.
- Many Landlords consider their residents to be their **customers**. They work hard to keep them **happy**. Any attempt by a 3rd party to visit the property without the Landlord's prior written approval jeopardizes the Landlord's and Resident's happy customer relationship.
- **Do not disturb the residents, do not walk the property.** It is considered rude to do either, and many Sellers will refuse to work with Buyers who violate this provision.
- Landlords (Sellers) rarely are willing to show a property prior to having an offer.
- Where possible, we have included virtual tours in high definition – please look to the flyer for those links.
- Sellers suggest Buyers make an offer subject to inspection and that the buyer work hard to consolidate their inspections and appraisal review on the same business day, to minimize the impact on the residents, who are the sellers clients.

Commercial vs. Residential Real Estate sales

- Apartment investments are considered commercial real estate sales. Although the occasional apartment will sell to an owner/occupant, from the Seller's and Listing Broker's perspective, they approach the transaction in a business-like manner, where it is all about the numbers, and very little about the emotions.
- Commercial brokers work regular business hours during business days, and so do most of their clients. Please do not write an offer with an expiration date on a weekend, or a response period of anything less than 3 business days. Please do not text, or expect return phone calls after regular business hours.

Offers

- Commercial transactions often start with a two page letter of intent or LOI – this allows the parties to share the skeleton of a deal. If they can reach a meeting of the minds, they will then flesh out the details in a purchase and sale agreement. If your client chooses to do a letter of intent, please make sure your letter of intent form includes the basics like price, closing date, contingencies, and who pays what closings costs.
- The current (2021) activity level from investors interest in our marketplace is three times higher than it was before then pandemic, which was 10 times higher than it was in 2016, our market is saturated with out of state investors, and I often tell buyers that they have a 1 in 10 chance of becoming an owner, where as everyone of my Sellers have a 1 in 1 chance of selling.
- Please let your client know that I work with my clients on a merit based negotiation system - we do not play the high/low game, and my **listing agreement pre-authorizes me to let you know when a (low) offer is likely not to be responded to by my Seller, so call first before your client suggests a low ball offer.**
- If your client's strategy is to count days on market and expect a discount, please let them know we specialize in helping our clients establish the leading edge of current market pricing, and our clients are prepared to wait for the right investor who can meet their deal goals.
- The follow-up questions Sellers ask after what is the price is, does the Buyer know the market? Have they been here? Do they have a team (management, lender, etc.) in place? Be prepared to answer these questions an advocate for your buyer, particularly if there are multiple competing offers.
- **Most of my Sellers are as focused on certainty of closing as they are the price**, so don't be surprised when we ask you for proof of funds of down payment and a prequal letter from a qualified lender.
- The standard in commercial transactions is that the Buyer pays for their own inspections and financing costs, and issues raised by the Buyer's lender are the Buyers to deal with. As the seller is sharing the information on the property with the buyer, the expectation is the buyer will share all information with the seller so they can troubleshoot/problem solve together.

BID Process

- If this property is being marketed with the BID process, then **the ask (start) price is set low** with the intention of garnering a lot of investor interest that will lead to multiple offers, a best and final round **with a final close price that is considerably higher than the original ask price**. This process may be new to you, but we have been using it for over 16 years. By participating in the BID Process, best case, your buyer becomes an owner, worst case they receive an education on current market conditions.
- If the property is being marketed using the BID process, the tour date and time is the **only time** the property is available for a viewing. This is not an inspection. Please do not bring your vendors, inspectors, ladders, etc. This is not an open house, but a guided tour that lasts 10 to 20 minutes and allows you a chance to view the interior condition.

Client Control

- Your client's actions represent you in this transaction, and your actions represent them.
- Please let your client know they have only one chance to make a good impression with my Sellers.
- When in doubt, please ask for permission via email, **do not** take action and expect forgiveness from a Seller. Please let your clients know that their actions will be considered by the Seller when they review offers and rank them in likelihood to close.

Open invitation – on a monthly basis, we host a luncheon for brokers and property managers who have an interest in apartment investments – just email me for an invitation.

Please know that I love this business and I am glad to share my knowledge, expertise and enthusiasm with you and your Buyer. I want to help you, help them, to be a great landlord and investor.

I look forward to working on this transaction with you—Sincerely, **Todd Clarke CCIM CIPs**

Is the Seller offering a credit for a buyer to self represent or paying a fee for a buyer's broker?

NM Apartment Advisors has created a mechanism, where you can email 24/7 to discover what compensation/credit a seller is offering by sending an Email to compensation@nmapartment.com with the subject: NMAA-2553607

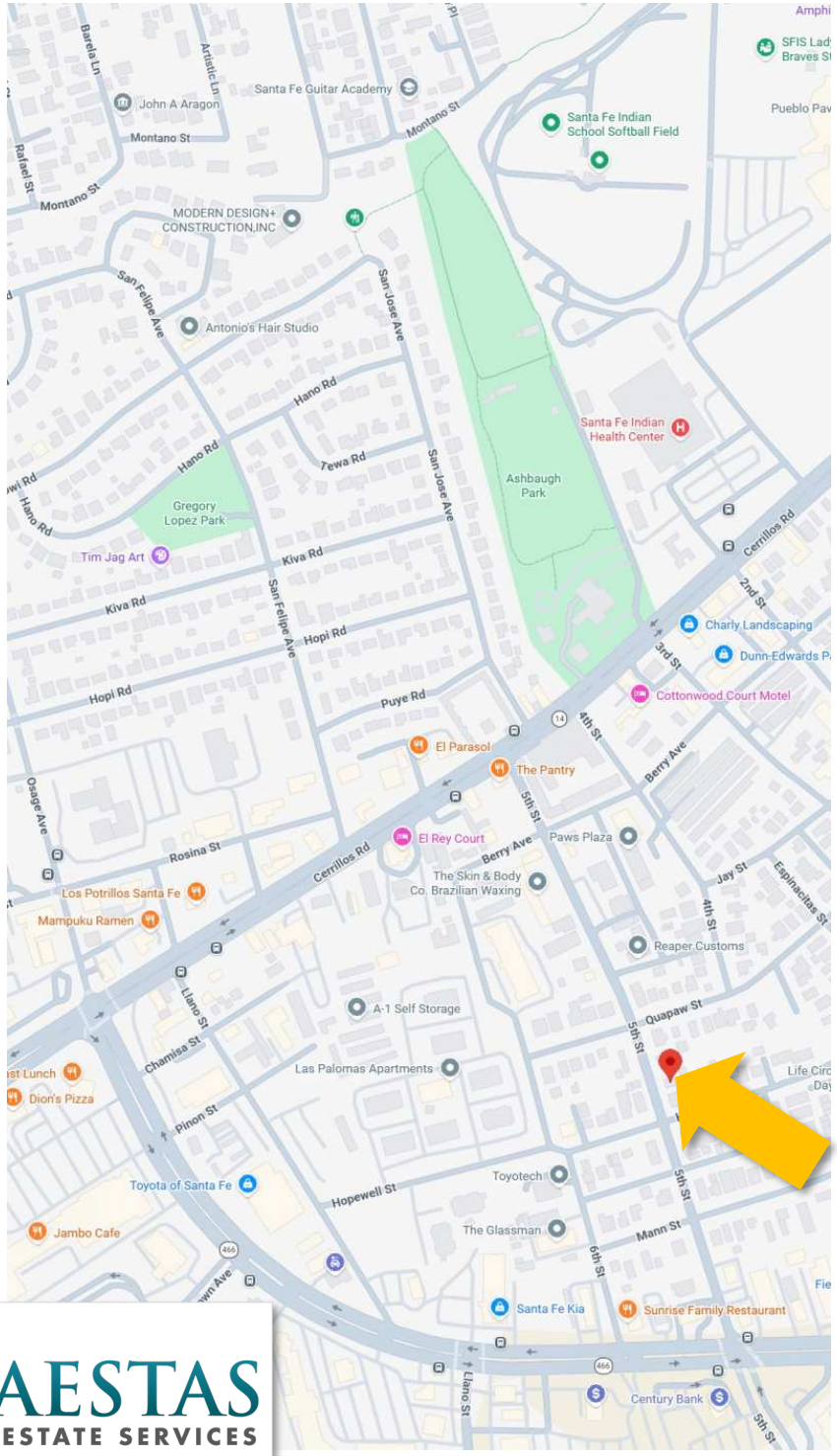
To receive a document confirming buyer's broker compensation and/or buyer's credit from the seller for this listing.

Further Information

Do not walk property, or disturb tenants.

To register for access to confidential documents go to:

www.nmapartment.com/5th1607sf



Marketing Advisors

In the event of multiple offers, BID process will be used. Additional information on the sales process can be found at www.nmapartment.com/bidprocess/bidprocess.pdf

The owner and property are represented by Todd Clarke CCIM of NM Apartment. If there is any information you need on the market, submarket, or the property,

Todd Clarke CCIM

CEO

NM Apartment Advisors Inc.

NMREC License #13711

505-440-TODD

tclarke@nmapartment.com

www.nmapartment.com

Anita Maestas

Qualifying Broker

Maestas Real Estate Service

NMREC License #16029

505-463-3565

anita@maestasrealty.com

www.maestasrealty.com

MAESTAS REAL ESTATE SERVICES