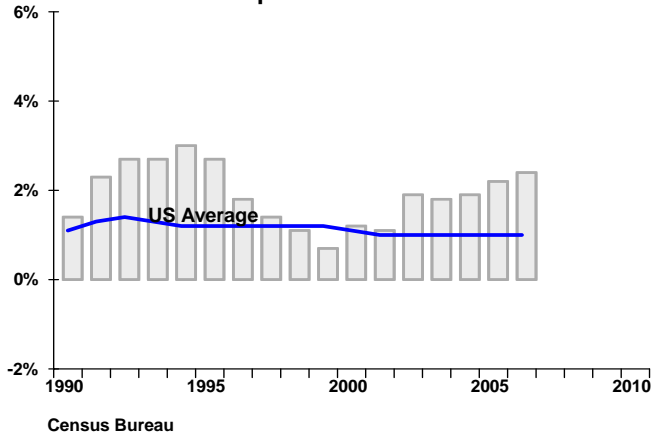
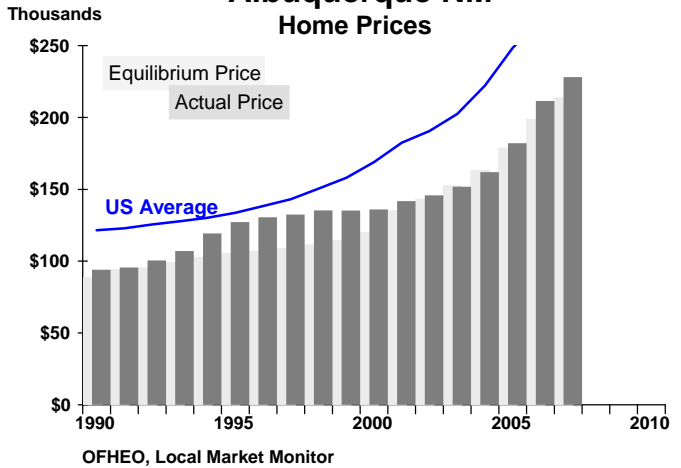


# Albuquerque NM

**Albuquerque NM  
Population Growth**



**Albuquerque NM  
Home Prices**

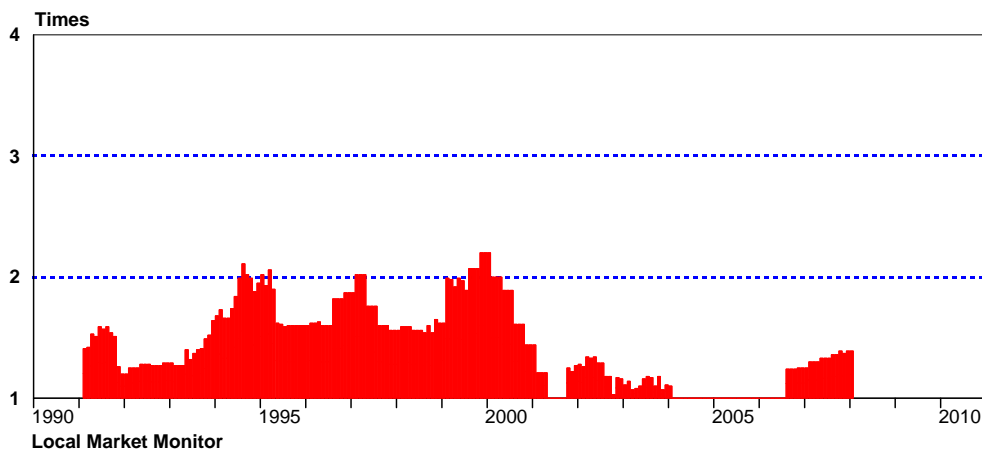


The local economy closely follows the national cycle, with mild recessions. The manufacturing sector is small. The large **business services** and **government** sectors have had good job growth in recent years. The strongest growth has come in the **healthcare** sector.

Apartments provide about 25% of total housing, but only 10% of new construction in recent years. Construction has been highly cyclical in the past, for both single-family and multi-family, in response to population surges. Apartment rents are kept low by the large amount of alternative housing (mobile homes and single-family rentals). Investors recently accounted for a fairly high 22% of home purchases.

**Investment Risk:** This market went through a lengthy period of low population growth and flat home prices. With home prices close to the Equilibrium value, construction in balance, population and jobs again growing, I recommend **BUYING** apartment properties. With home prices weaker and vacancy rates higher, single-family developments should be done cautiously.

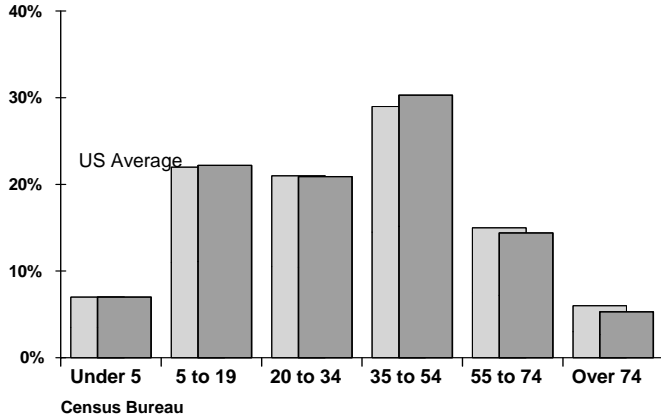
**Albuquerque NM  
Relative Mortgage Risk**



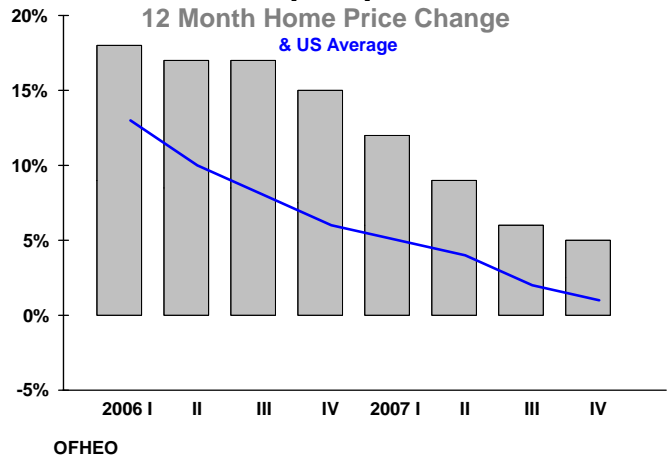
Investing in real estate is risky, even in favorable markets. This Review gives our best estimate of current and future economic circumstances in this market, but we could easily be wrong. The Review should not be considered investment advice regarding any particular property.

# Albuquerque NM

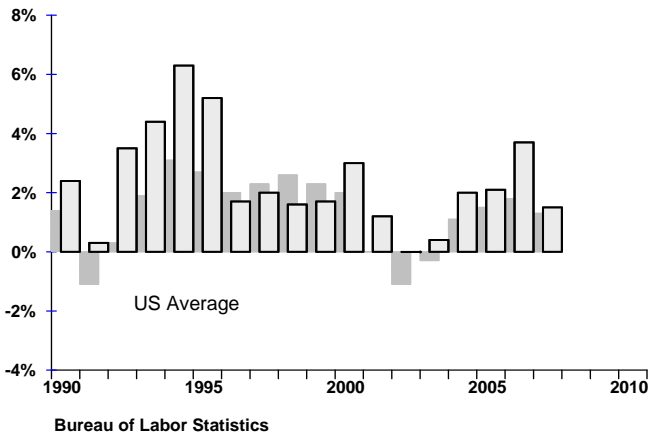
**Albuquerque NM**  
Population Age Distribution



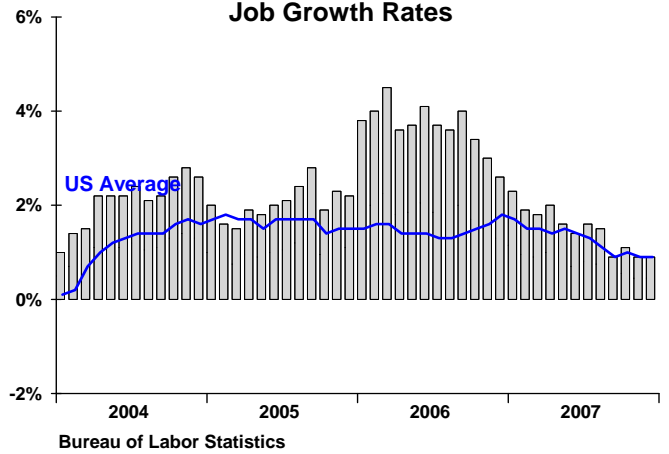
**Albuquerque NM**  
12 Month Home Price Change & US Average



**Albuquerque NM**  
Job Growth



**Albuquerque NM**  
Job Growth Rates



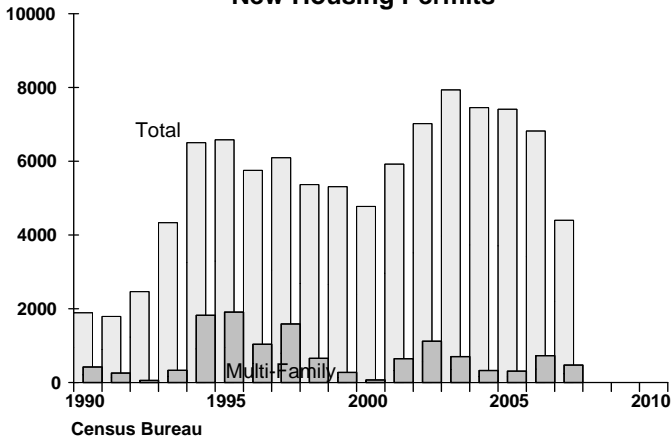
Albuquerque NM	Current Jobs (000)		Job Growth		
	(000)	%	US Avg	2006	Dec 07
<b>Total</b>	<b>400.6</b>	<b>100%</b>	<b>100%</b>	<b>3.7%</b>	<b>0.9%</b>
Construction/Mining	30.1	8%	5%	9.1%	-0.7%
Manufacturing	23.1	6%	13%	5.3%	-4.5%
Retail Trade	47.2	12%	12%	0.5%	2.2%
Transport, Util.	11.1	3%	5%	1.0%	3.7%
Finance	19.3	5%	6%	0.0%	0.5%
Business Services	64.4	16%	10%	4.1%	0.8%
Health Services	49.6	12%	10%	3.5%	2.1%
Hotels, Restaurants	39.0	10%	10%	5.2%	1.8%
Government	81.5	20%	16%	3.1%	1.1%

Bureau of Labor Statistics

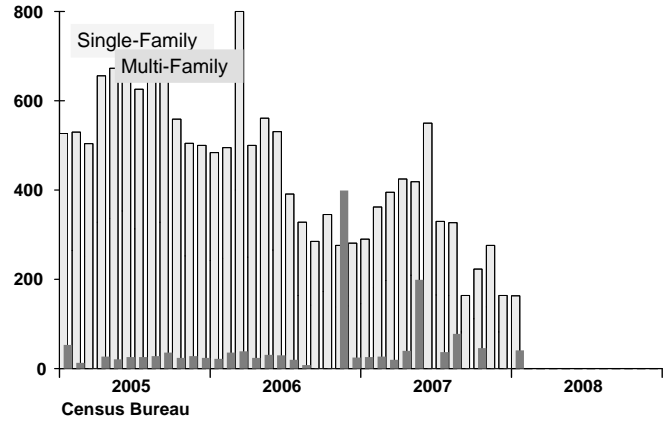
Albuquerque NM	Total US	
Rental Vacancy Rate 2007:	8.8%	9.8%
Owner Vacancy Rate 2007:	2.6%	2.8%
12 Months Housing Permits:	4,286	1,332,341
6 Months Permits Increase:	-35%	-26%
Average Home Price 2007:	\$228,113	\$276,322
Home Price Increase 2007:	8%	3%
Population 2006:	817,993	299,559,345
Estimated Pop. Growth '01-06:	11%	5%
<b>Home Value Rating:</b>	<b>FairValue</b>	
<b>Relative Mortgage Risk:</b>	<b>1.39</b>	

# Albuquerque NM

## Albuquerque NM New Housing Permits



## Albuquerque NM New Housing Permits

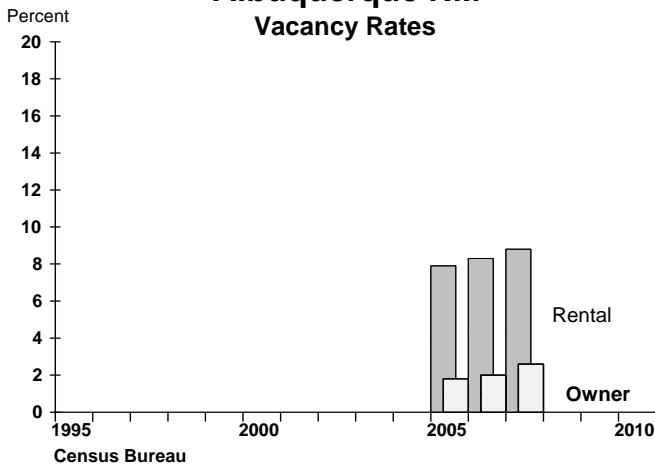


### Albuquerque

## Housing Construction Balance

Units Absorbed by Population Growth	6,355
Units Lost thru Deterioration, etc.	1,493
<b>Total Annual Units Needed for Balance</b>	<b>7,848</b>
Current Annual Construction Level	4,286
<b>Overbuilding as % of Existing Housing</b>	<b>none</b>
12 Month Construction Change, Single-family:	-26%
12 Month Construction Change, Multi-family:	-24%

## Albuquerque NM Vacancy Rates



## Albuquerque NM Home Sales by Price Range

