

*Under no circumstances shall
the tenant be disturbed.*

OFFICE OF THE STATE ENGINEER

A NM STATE GOVERNMENT LEASED BUILDING

ALBUQUERQUE, NM



CAPITAL PACIFIC



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**IN CONJUNCTION WITH
NM LICENSED BROKER:**

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OFFICE OF THE STATE ENGINEER

5550 SAN ANTONIO DRIVE NE, ALBUQUERQUE, NM 87109

\$3,900,000
PRICE

7.56%
CAP

NOI: **\$294,872**

PRICE/SF: **\$125.56**

OCCUPANCY: **100%**

YEAR BUILT: **2009**

LEASE TERM REMAINING: **10 YEARS**

LEASABLE AREA: **31,061 SF**

**THE STATE OF NEW MEXICO IS AN AA RATED
GOVERNMENT CREDIT TENANT**

Investment Highlights



THE OFFERING

The offering is a fully leased Office of the State Engineer located in Albuquerque, NM. The office is the headquarters for all water resource administration in the state of New Mexico. Due to the vital nature of this office, there is a high likelihood of tenant renewal. The subject property is priced well below replacement costs in a high population area. It is located along San Antonio Drive with daily traffic counts in excess of 24,000 VPD, as well as within close proximity to I-25, which boasts over 139,500 VPD.

Albuquerque is the most populous city in New Mexico with more than 558,000 residents. Albuquerque is home to institutions and monuments such as the University of New Mexico, Kirtland Air Force Base, Sandia National Laboratories, the National Museum of Nuclear Science & History, Lovelace Respiratory Research Institute, and more. The city is also home to the New Mexico Technology Corridor, a concentration of high-tech private companies and government institutions.

HIGHLIGHTS

- **Tenant recently exercised option through 2029, showing commitment to the location**
- **Headquarters for all water resource administration in the state of New Mexico**
- **Vital asset with high probability of renewal**
- **Priced below replacement cost**
- **Over 213,000 residents within a 5-mile radius**
- **Centralized location along San Antonio Drive with daily traffic counts in excess of 24,000 VPD, as well as proximity to I-25 boasting over 139,500 VPD**
- **Seven district offices in New Mexico**

Income & Expense

		CURRENT
Price:		\$3,900,000
Cap Rate:		7.56%
Price Per Square Foot:		\$125.56
Down Payment	35%	\$1,365,000
Loan Amount	65%	\$2,535,000
Total Leased (SF):	100.00%	31,061
Total Pending (SF):	0.00%	0
Total Rentable Area (SF):	100.00%	31,061
INCOME	P/SF	
Base Rent	\$2.70	\$84,000
Operating Cost	\$13.84	\$429,786
EFFECTIVE GROSS INCOME	\$16.54	\$513,758
EXPENSE	P/SF	
Property Tax	(\$1.75)	(\$41,725.00)
Insurance	(\$0.16)	(\$8,753.00)
Maintenance Supplies	(\$0.42)	(\$12,957)
Janitorial	(\$0.62)	(\$19,200)
Building Repairs	(\$0.35)	(\$8,504)
Methane Monitoring	(\$0.35)	(\$11,000)
Snow Removal	(\$0.07)	(\$2,200)
Elevator Maintenance	(\$0.04)	(\$1,200)
HVAC Maintenance	(\$0.33)	(\$10,192)
Landscaping	(\$0.15)	(\$4,800)
Pest Control	(\$0.02)	(\$598)
Fire Security Systems	(\$0.08)	(\$2,489)
Electricity	(\$1.47)	(\$45,522)
Gas	(\$0.09)	(\$2,688)
Water/Sewer/Garbage	(\$0.15)	(\$4,774)
NM Gross Receipts Tax (7.875%)	(\$0.51)	(\$15,884)
Management	(\$0.85)	(\$26,400)
TOTAL OPERATING EXPENSES	(\$7.42)	(\$218,886)
NET OPERATING INCOME		\$294,872

		PROPOSED
Proposed Loan Amount		\$2,535,000
Loan To Value		65%
Interest Rate		4.00%
Amortization		25 Year
Term		7 Year
Net Operating Income		\$294,872
Debt Service		(\$160,568)
Pre-Tax Cash Flow		\$134,304
Debt Coverage Ratio		1.84
Cash-on-cash Return		9.84%
Principal Pay down (Year 1)		\$60,265
Total Return		\$194,569
Yield		14.25%

PROPOSED FINANCING/CASH FLOW

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Rent Roll

TENANT INFO			LEASE TERMS		RENT SUMMARY			
TENANT	SQ. FT.	PERCENT OF GLA	TERM		MONTHLY TOTAL RENT	ANNUAL SHELL RENT	ANNUAL OPERATING COST*	RENT /FT
State of New Mexico - Office of the State Engineer	31,061	100%	12/1/2009	11/30/2019	\$40,757.38	\$84,000	\$405,089	\$15.75
			12/1/2019	11/30/2020	\$41,770.10	\$84,000	\$417,241.20	\$16.14
			12/1/2020	11/30/2021	\$42,813.21	\$84,000	\$429,758.52	\$16.54
			12/1/2021	11/30/2022	\$43,887.60	\$84,000	\$442,651.20	\$16.96
			12/1/2022	11/30/2023	\$44,994.23	\$84,000	\$455,930.75	\$17.38
			12/1/2023	11/30/2024	\$46,134.06	\$84,000	\$469,608.72	\$17.82
			12/1/2024	11/30/2025	\$47,308.08	\$84,000	\$483,696.96	\$18.28
			12/1/2025	11/30/2026	\$48,517.32	\$84,000	\$498,207.84	\$18.74
			12/1/2026	11/30/2027	\$49,762.84	\$84,000	\$513,154.08	\$19.23
			12/1/2027	11/30/2028	\$51,045.73	\$84,000	\$528,548.76	\$19.72
			12/1/2028	11/30/2029	\$52,367.10	\$84,000	\$544,405.20	\$20.23
OCCUPIED					31,061	100.00%		
Vacant					0	0.00%		
CURRENT TOTALS					31,061	100.00%		
					\$41,770.10	\$84,000.00	\$417,241.20	\$2.70
						Total Rent	\$501,241.20	

ABOUT THE OFFICE OF THE STATE ENGINEER

The Office of the State Engineer is charged with administering the state's water resources. The State Engineer has authority over the supervision, measurement, appropriation, and distribution of all surface and groundwater in New Mexico, including streams and rivers that cross state boundaries. There are seven district offices in New Mexico.

The State Engineer is also Secretary of the Interstate Stream Commission. The Interstate Stream Commission has broad powers to investigate, protect, conserve, and develop New Mexico's waters including both interstate and intrastate stream systems. The eight unsalaried members of the Commission are appointed by the Governor. The ninth member is the State Engineer who under state law is the secretary of the Commission. The Interstate Stream Commission Director serves as the deputy state engineer.

The Commission's authority under state law includes negotiating with other states to settle interstate stream controversies. New Mexico is a party to eight interstate stream basins. To ensure basin compliance, Interstate Stream Commission staff analyze, review, and implement projects in New Mexico and analyze streamflow, reservoir, and other data on the stream systems. The Commission is also authorized by statute to investigate and develop the water supplies of the state and institute legal proceedings in the name of the state for planning, conservation, protection and development of public waters.

Retail Aerial

139,500
VPD



HOMESWOOD
SUITES
BY HILTON

Hilton
Garden Inn
Cracker Barrel

LA QUINTA
INNS & SUITES
Denny's

COMFORT
SUITES



NEW MEXICO
BOARD OF
PHARMACY



24,100
VPD

SAN ANTONIO DRIVE NE

Aerial



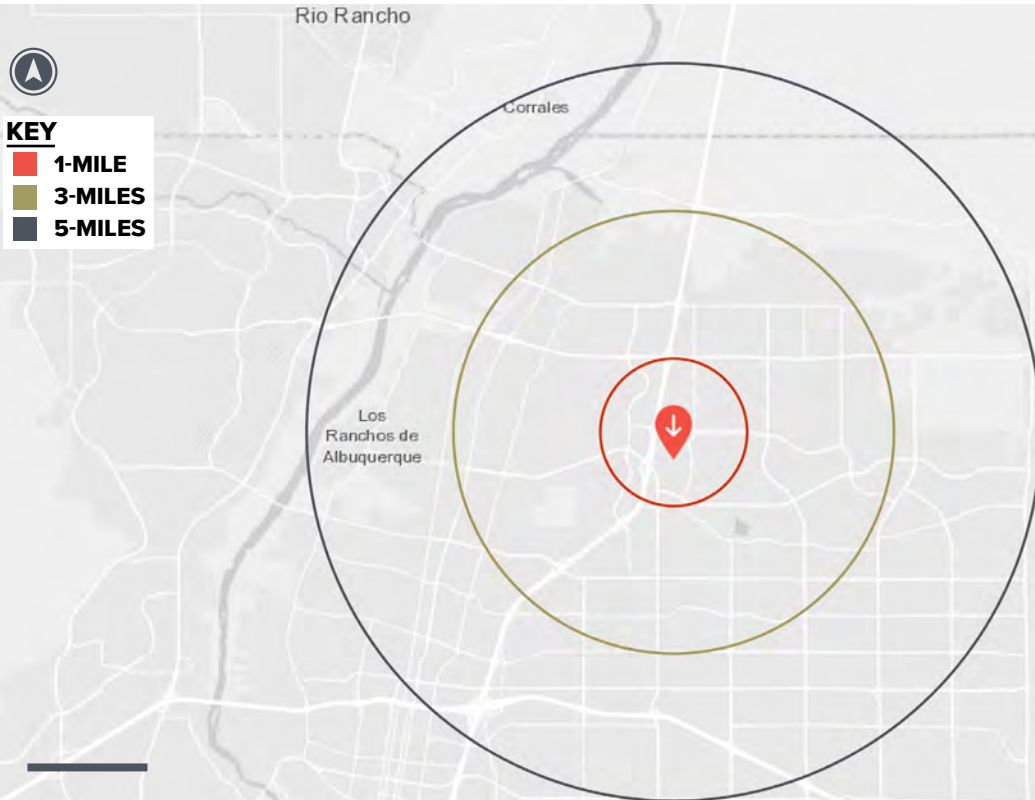
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Submarket Overview

OTHER GOVERNMENT AGENCIES IN THE VICINITY INCLUDE:

- TSA
- US Energy Department
- US Forest Service
- US General Services Administration
- US Department of Energy National Training Center
- Bureau of Alcohol Tobacco & Firearms
- Department of Housing & Urban Development
- Mid-Region Council of Governments
- Veterans Association
- Fire Station
- Bureau of Indian Affairs
- Department of Senior Affairs
- US Customs and Border Protection




BUSINESS SUMMARY

TOTAL	1-MILE	3-MILES	5-MILES
Businesses	854	5,699	13,107
Employees	15,531	79,743	160,839
Residential Population	9,620	94,384	214,345


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Demographics

POPULATION

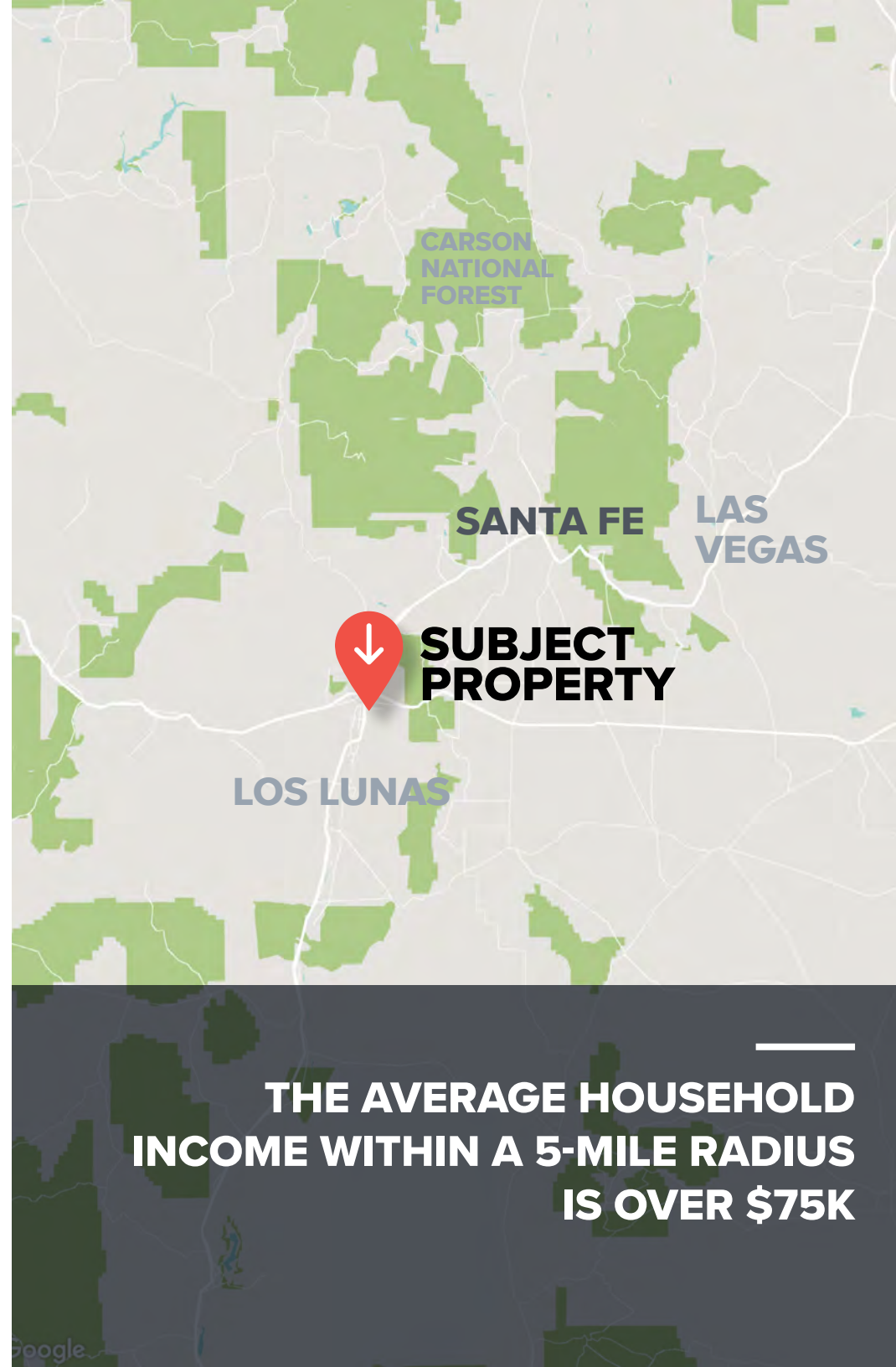
	1-MILE	3-MILES	5-MILES
2010	9,981	93,141	209,796
2018	11,578	98,021	217,972
2023	11,895	99,058	219,824

2018 HH INCOME

	1-MILE	3-MILES	5-MILES
Average	\$60,414	\$74,000	\$75,370
Median	\$50,844	\$53,884	\$54,080

TOP EMPLOYERS

EMPLOYER	# OF EMPLOYEES
Kirtland Air Force Base	35,690
Albuquerque Public Schools	14,480
University of New Mexico	14,300
Sandia National Laboratories	8,400
Presbyterian Hospital	7,369



**THE AVERAGE HOUSEHOLD
INCOME WITHIN A 5-MILE RADIUS
IS OVER \$75K**

ALBUQUERQUE, NEW MEXICO



ALBUQUERQUE is the largest and most populous city in the state of New Mexico. Located on the banks of the Rio Grande River and nestled at the base of the dramatic Sandia Mountains, the city offers a blend of culture, scenic beauty, and thriving economy set against a unique metropolitan backdrop. Albuquerque has one of the highest elevations of any major city in the U.S., ranging between 4,900 feet and 6,700 feet above sea level. The city's rich cultural heritage centers around a unique blend of Native American, Spanish, Mexican and Anglo-American influences. There are over 300 visual arts, music, dance, ethnic, and craft organizations, museums, festivals and associations.

Albuquerque is home to the International Balloon Fiesta, a nine-day event which draws over 800,000 visitors annually and a \$101.7 Million direct economic impact on the Albuquerque area.

Home to Kirtland Air Force Base, Sandia National Laboratories, the National Museum of Nuclear Science & History, Lovelace Respiratory Research Institute, the University of New Mexico (UNM) and the University of New Mexico Hospital (UNH). UNM is attended by over 24,000 students, and employs over 27,000 statewide, including employees of the University Hospitals.

558,545



**ALBUQUERQUE
POPULATION
(ESTIMATED)**

Contact us.

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