



Commercial Real Estate Industry Observations

Kary Bulsterbaum

Steinborn TCN Commercial Real Estate

MVEDA PRESENTATION

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575.532.2345
141 Roadrunner Pkwy
Suite 141
Las Cruces, NM 88011
www.steinborntcn.com



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**2016 HAS BEEN
VERY ACTIVE!**

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WHY ALL THE ACTIVITY?



- **HOUSING IS OFF TO A GREAT 2016 START**
- **THE EL PASO IMPACT**
- **EVOLVING LOCAL MEDICAL LANDSCAPE**
- **DEMAND GAPS IN CERTAIN INDUSTRY SEGMENTS**
- **RETAILERS KEEP GIVING US LOOKS**

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UNDER 1000 HOMES!

- **Construction Might Be Back**
- **Lot sales and new home starts are up.**
- **Slight price bumps in certain price ranges. (multiple offers as well).**
- **Early signs of a retirement dynamic coming back via high equity buyers.**
- **6th straight year of positive absorption.**
- **Double digit growth numbers for 2016 to date.**



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OFFICE BRIGHT SIDE



- Average market stays are on decline
- Absorbed in half the time frame it was two years ago.
- Consistently seeing slight lease bumps in re-let space for first time in years.
- 90% occupied market and getting healthier
- 1% a year absorption
- The demand still lies in quality space versus B & C space.

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EL PASO FUEL TO THE FIRE!



- **2015 best year ever in home sales**
- **2.4% job growth rate 2015**
- **1.5% annual job growth since 2010**
- **12% population growth since 2010**
- **Double digit population growth expectation to 2020**
- **3.9% per capita annual personal income growth**
- **High profile developments and construction planned all over**
- **Retail sales at all time highs.**

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MEDICAL MERGER CITY



- **2015 was a record year for medical mergers & acquisitions**
- **Strong elite medical rosters & facilities**
- **Lowest cost setting for providers**
- **Multiple physicians are joining forces**
- **On or off campus locations but sound**
- **Want to deliver a more attractive product & suite of services to make the patient experience easier.**
- **Medical space options are tight locally**

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Construction Double Down!



- **Office building expansion (on & off campus)**
- **Health system general medicine & family care**
- **Ambulatory surgery**
- **Rehabilitation centers**
- **Fitness & Wellness Centers**
- **Health system branded clinics**

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CORRIDORS TO TRACK & KEY OPPORTUNITIES

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AGGIE UP!

- **INTERESTING DAYS AT NMSU**
- **Will available land lease options at University & Telshor put the retail and medical world on notice?**
- **Spec space at Arrowhead pending.**
- **Is Pan Am Plaza about to see major changes?**
- **Will the hotel near the convention center be a game changer?**
- **More & more retailers are coming regardless.**
- **Housing options can only improve on and off campus.**



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WHO EATS AT HOME?



- **APPARENTLY NOT A LOT OF US**
- **Studies show we are now a society that barely eats at home as much as we eat out.**
- The millennial generation does eat out more than it has meals at home.
- Restaurant operators of all types continue to look hard at our market.
- Our continued growth & population size continues to draw national & regional names
- Unique grocers continue to look as well not named “Trader Joes”

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EXEC OFFICE NEED



- **3.1 Million SQFT Office Market with limited class “A” executive office space**
- **Executive offices bridge a geographic gap regionally between Albuquerque & El Paso.**
- **Pent up local executive office demand for corporate employees, government contractors, and local business interests**
- **Absorption has been very healthy**
- **Larger target market than perceived**
- **Significant opportunity for large & small players**

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Industrial Opportunity



- **We need more solutions in this area**
- **Easier said than done but necessary**
- **Quality space disconnect both small and large.**
- **Issues in pricing**
- **Issues with functionality**
- **Issues with flexibility**
- **Limiting business ability to locate here or expand**

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BROKERS:

Grady Oxford
Kary Bulsterbaum
Jacob Garland

John Hummer, CCIM,
Owner/Broker

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- Industrial
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- Landlord Rep
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- Consulting



- 200+ Markets
- 58 Offices
- 800+ Professionals
- 80,000,000+ SF Under Management
- \$27.1 Billion+ Transactions

CONGRATS TO VIRGIN GALACTIC & ALL OF THEIR RECENT SUCCESS!!!!

THE SANTA TERESA JOB ANNOUNCEMENTS ARE OUTSTANDING!!!

ALWAYS SUPPORT NMSU, WSMR, NASA, & OUR AG BASE!!!!