FINAL REPORT

NEW MEXICO RAIL RUNNER EXPRESS TRANSIT ORIENTED DEVELOPMENT MARKET EVALUATION

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I. INTRODUCTION AND SUMMARY OF FINDINGS

This report presents the findings of Economic & Planning Systems (EPS) concerning transit oriented development (TOD) potentials at transit stations on the New Mexico Rail Runner Express commuter rail system. EPS was retained as part of an interdisciplinary planning team to complete master plans for the station areas surrounding the recently completed Rail Runner stations in Bernalillo, Los Lunas, and the South Valley. The Rail Runner commuter service currently extends from Belen to Bernalillo and is currently in the process of being extended north Santa Fe.

The introduction of commuter rail service to the region offers significant opportunities for TOD around the new stations. Local communities are in the process of establishing a vision for the station area to leverage interest from the development community regarding opportunities created by the additional transit service that will enhance each community. This report addresses the market potentials for commercial, residential, and mixed use development at each station influence area as an input to the station area master plans.

PROJECT GOALS

Like many western U.S. cities, the Albuquerque region has been a traditional market, with most residential development constructed as single family homes and most commercial development built around automobile convenience. Recently however, the market has started to shift to include an emerging demand for higher density development and more integration between commercial and residential uses. While still a very small percentage of the overall market, trends suggest that demand will grow, particularly as the Albuquerque region continues its strong rate of growth, and becomes more land constrained, placing an increased burden on the existing infrastructure.

Moving forward, the region has an opportunity to change its historic growth patterns. Commuter rail will become an increasingly important asset to the region, given the resource allocation and physical constraints for highways and major arterial roadways. Development trends are responding with new concepts of mixed-use, higher density projects. The station areas provide excellent opportunities to construct for more efficient projects with potential to increase the quality of life for local residents.

The Rail Runner Station Area master planning project is an opportunity for the region to leverage underutilized areas for public and private investment, thereby creating new nodes of commercial and residential activity. The market assessment provides a grounded set of development parameters for communities to use in creating station area master plans. The market analysis addresses the following goals:

- Maximize development opportunities for the private sector that also benefit the general public.

- Stimulate development that is complementary to the existing context for each of the station areas.
- Provide demand projections for market-supportable development of commercial and residential uses that can be used in the community visioning and master planning efforts.
- Use a combination of national and local research to provide parameters for new development that are consistent with market demand.

TOD OVERVIEW

Because rail transit has just recently been introduced to the region, TOD is a new concept in the area. The introduction of commuter rail to the corridor and the location of the stations along the corridor will influence the type and density of future development. The transit access and station improves accessibility and increases land values in much the same way that a new highway interchange changes land use opportunities. There are, however, some important differences in the type of development enhanced by a rail station.

The theory behind TOD is that by locating walkable, higher density, mixed use areas around transit connections, TOD allows people to access services close to their home or transit stop. This reduces the need to drive for daily convenience errands and commuting, which reduces the number of automobile trips on area roadways. TOD differs from traditional suburban style development in that it is more compact, more pedestrian than automobile oriented, and includes a variety of land uses. There is greater emphasis on the design of public spaces and streetscape to make the e area more appealing to pedestrians, in contrast to many suburban areas where walking is unsafe or unpleasant. TOD incorporates an interconnected street network, often in a grid pattern. Sidewalks and public spaces are integrated in the transit area. TOD can also provide a focal point for the community with good design. Residents in these types of community often experience greater sense of community and improved sense of place because of the increase in human interaction.

TOD requires three market factors to take place:

- **A positive real estate market** – These newly increased levels of development cannot overcome other adverse market conditions. A particular station location captures an increased share of the overall market, rather than creating a net new development to the area. All four of the stations considered in this analysis benefit from a strong local and regional market. The Rio Bravo market conditions, while strong, are evident when looking at the larger context of the area.

- **Supportive public policy** – The opportunities provided by TOD must be addressed with effective public policy to achieve optimal leverage. Communities should be prepared to adopt master plans that provide a vision for the transit areas that include action plans to implement the vision. A central issue for the communities

along the Rail Runner corridor is to assess potentials and determine what portion of the market they would like to accommodate within their TOD.

- **Public investment and support** – TOD usually requires a high level of public investments in streets, pedestrian connections, and in some cases structured parking. Accordingly, there is often a level of public financing and investment required to enable TOD to succeed.

PROJECT SCOPE

This market study includes an analysis of the development potentials for higher density residential development, mixed-use projects, and commercial in-fill opportunities. The analysis and report include the following elements:

Economic and Demographic Framework – EPS analyzed the demographic and economic trends and forecasts for the Albuquerque region and for subareas surrounding the communities with new Rail Runner stations. The analysis provides a context to show the extent of development that can reasonably be expected to occur within the station areas.

Local Market Relevancy – There are few local examples that are comparable to recently developed industry standards for TOD projects. The market analysis addresses the potential for exurban Albuquerque communities to attract new users to projects that differ from traditional patterns.

Station Area Market Conditions – Each community is unique. Information on employment, development activity, and residential market conditions for the subareas surrounding the stations is provided to show current conditions and how they impact future development potential.

Market Potentials and Demand Projections – A number of methodologies are used to project residential and commercial demand for each station area. The projections reflect national standards as well as the local market perspective for TOD projects. The balance of national and local analysis is intended to provide a platform for the master planning process that identifies the range of development potentials.

SUMMARY OF FINDINGS

The following points summarize the analysis of residential and commercial development potentials for the four station areas along the Rail Runner corridor. It should be noted that the study groups the findings for the communities of Bernalillo, Los Lunas, and the South Valley. While Bernalillo has two stations, the TOD market potentials have been derived for the larger influence area surrounding both stations.

1. ***The economic context of the Albuquerque region is strong and will generate robust demand for new residential units and commercial uses.***

The region is dynamic and vibrant regarding economic growth. Job creation has rebounded from the post 9/ 11 contraction and the region is now creating jobs at rates that exceed the previous 10 years. In the recent past, annual growth has averaged 4,000 to 5,000 jobs. However, the most recent data available show that current growth is forecasted to exceed 11,000 jobs per year.

The development industry has responded to this strong demand. Permits for residential and commercial development have escalated in the recent past. Because the market overestimated demand, however, 2006 showed a 30 percent contraction in residential permits. In addition to an overly ambitious response to the market, the impact from the withdrawal of investors has been significant. Nevertheless, prices for new construction increased in the past year by 5.8 percent.

Looking forward, the job growth record bodes well for the region. Accordingly, demand for commercial and residential uses will increase. As the overhang of surplus residential inventory is absorbed, the long-term outlook is positive. Demand is likely to increase in outlying locations, given that opportunities to build in traditional Albuquerque quadrants are becoming more limited.

The demographics of the region are furthermore ideal for driving residential and commercial TOD. The number of households whose heads are under 35 and over 60 are strong components of the population, and are the likeliest demographic to live near transit, as well as to prefer close proximity to shopping and eating establishments. Of these particular household types, there are strong subcomponents of households with no children, indicating that their decisions to live in the vicinity of transit will be largely based on convenience. Similarly, the psychographic profiles of the Albuquerque Area show that many of these and other households in the area make their decisions on TOD-oriented tenets—convenience, proximity to work, shopping, recreation and friends/ family.

2. ***There has been historically very limited market demand for higher density residential development in the Albuquerque Area. However, trends suggest that specific products geared to transit oriented development will be viable in the near term if priced right and designed well.***

Much of the residential development in the area has been traditional. Recent efforts to introduce mixed-use, urban projects have been met with varied levels of interest; some ownership projects have done well while others have not. Community perception tends

to focus on buildings that have not done well and transfers the performance to the larger market. Research documenting performance of condominium and townhome developments built or planned in downtown Albuquerque and comparable areas show that projects have succeeded where units are reasonably priced. Existing projects with multiple phases are scaling down units in future phases, based on the recognition that size and price are fundamental factors. Units that are priced right have had a strong sales performance and indicate that future developments will do well, with market-based designs and prices.

3. The South Valley context does not suggest that demand will be significant; however, research indicates that the station area has substantial development potential.

Projecting demand in the South Valley, specifically the station area at Rio Bravo and 2nd Street, is challenging as there is a very limited track record of residential or commercial development in the area. Nevertheless, market conditions suggest that the Rio Bravo station is ripe and the timing is good to introduce a new set of users, for both commercial and residential product.

Employment -- Given the Rio Bravo station area location, the market for employment uses has potential. For this analysis, office and light industrial uses that would be compatible in a business park setting have been considered. The projection for the site is based on total regional demand for employment through 2025, of which 11.5 percent are office related and 7.0 percent are industrial based on a detailed analysis of employment sectors. Floor area demand for these two is based on factors of 350 square feet per employee for office and 750 square feet for industrial.

To address demand at the Rio Bravo station area, the study assumed that the south I-25 corridor would capture a limited amount of total development. Although conservative, the estimates are based on 10 percent of the office development and 20 percent of the light industrial uses. From the I-25 corridor potentials, the station area potentials are estimated to capture 20 to 50 percent of the total, resulting in ranges of 66,800 to 167,000 square feet of office use space and 87,000 to 218,000 square feet of business park, light industrial, flex space.

Retail -- The current retail market is limited, notwithstanding the high traffic volumes along Rio Bravo. With a substantial day-time population provided from the new businesses augmented by the additional households in the area, a community-level retail center will be supportable. Based on the uses outlined above, a community retail center of 40,000 to 60,000 square feet is possible. However, market support can increase by expanding the trade area, which is possible with retail anchors.

An entertainment based commercial district provides an opportunity to meet a current need and increase the expenditure potential. The resulting retail center would likely include elements of a power center, lifestyle center, and entertainment district and be an example of the emerging “hybrid center” trend. The theater complex is expected to be 50,000 to 100,000 square feet and the total center could range from 200,000 to 400,000 square feet.

Residential -- New residential development at this location would appear to be limited. However, research of current market activity shows that the context is changing, as parcels abutting the Bosque have been put under contract recently and call for upper end residential product, ranging from $500,000 to $2.0 million per unit. With a size of more than 125 acres and densities that range from low to high (approximately 10 to 15 dwelling units per acre), it will be sufficient to achieve the critical mass necessary to attract interest from potential residents throughout the region.
Based on these factors, the station area is expected to develop with new attached product at densities ranging from 10 to 15 units per acre. Based on parcel characteristics within the station area, there are 120 acres that lend themselves to residential development and translate to 1,200 to 1,800 units through 2025, or 70 to 100 units per year. A majority of the product is expected to be stacked flats, which can be rented or sold, depending on the market opportunity.

4. The Los Lunas development potentials are geared more towards residential in the near term, while support for commercial uses is expected to grow over time.

The Los Lunas station area benefits from a number of positive market factors. One of the more significant factors is the availability of large tracts of vacant land within the study area. More importantly, the strong market conditions for both residential and commercial development in the community bode well for TOD projects. The Los Lunas market has performed well in the recent past, with consecutive years of growth in permit activity and year-to-date figures that exceed 2006. This is unusual, as most markets throughout the country, including Albuquerque, have contracted in 2007. It should be noted that there are some signs of softening at this time.

Retail and Office – Although the Los Lunas market is strong, the challenge for the station area is to draw development to the eastern and southern area of the Village. Concerning commercial uses, the traffic counts on Highway 314 and the number of rooftops west of I-25 must increase before a substantial level of retail becomes viable within the station influence area. In five or more years, with the redevelopment of parcels in the station area, continued high growth rates in the city, and growth of daytime retail customers, the market will become stronger.

In the long term, market support has been estimated using a catchment area for the Highway 314 corridor, defined by Highway 314 and the intersection of Highway 6. It spans an area within a 10-minute drive under typical traffic conditions and assumes a capture that will result in a total of at least 13,000 square feet of retail through 2025, an estimate that includes only the retail categories of clothing and accessories, specialty retail and eating and drinking. If an anchor can be secured, the supportable floor area of ancillary uses could increase substantially. Under such conditions, an anchor could be as small as a drug store or a collection of quick-casual restaurants and would still provide the added draw necessary to increase market support above the current estimates. Also, if existing businesses position themselves to embrace the residential changes offered by TOD, they have the potential to flourish and expand.

Office development is expected only after a catalyst employer chooses to locate next to the station. This may occur in the future, if sufficient incentives are provided or in the

event that less market sensitive uses, such as state or local government, choose to expand at this location.

Residential -- The market support for residential units in the Los Lunas station area ranges from 775 to 1,000 units through 2025, which reflects a capture rate of 9 to 12 percent of the projected Los Lunas development activity through 2025 and assumes that the Village's recent growth trends maintain the current level, but do not continue to escalate, which is consistent with MRCOG projections. The market potential is comprised of rental units (195 to 250 units); attached higher density ownership product within a ¼-mile radius of the station (360 to 425 units); and detached lower density ownership product within a ½-mile radius of the station (220 to 330 units). The key question for the community is to determine how much of this market to accommodate within the station area and then to take steps to enable the development community to provide units for each niche of product.

5. The two Bernalillo stations are positioned to become concentrated nodes of mixed-use development that generate a regional draw.

Recent commercial and residential development trends in Bernalillo indicate that the area is poised to grow significantly in the future. A challenge for the Town will be to manage growth in such as way that it augments the character of the community. The retail market is growing, both in terms of conventional retail along Highway 550 as well as emerging retail opportunities along Camino del Pueblo. The infusion of development brought by TOD will increase development activity and is expected to generate sufficient critical mass to draw retail customers from surrounding areas east and west of the community that do not currently patronize Bernalillo merchants. The expanded trade area will, in turn, create a retail synergy that will pull from the larger region. The cumulative expansion of the trade area is expected to be significant.

Retail -- Current projections for the area range from 78,000 to 104,000 square feet of new retail floor area through 2025, as a baseline estimate. The estimate reflects the expenditure potential for retail sectors that are likely to succeed in settings such as mixed-use town centers and TODs. Depending on the level of development intensity and how quickly the area's attractiveness grows, approximately one-third to one-half of this estimated new floor area will be supported by regional demand (i.e., one-third of 78,000 square feet or one-half of 104,000 square feet would be supported by customers driving from outside the immediate trade area). The estimate excludes all conventional retail formats planned along the 550 corridor and exclusively addresses the potentials for the two station areas.

The modeling for the retail expenditure potential is based on the regional, subregional, and community capture for the Bernalillo community. Segmenting the data to document support for the two separate stations would reflect artificial precision, given the close proximity of the two. Thus, the projections for the two station areas are combined. Future development will gravitate to each of the two nodes, based on a variety of market criteria, including those discussed in greater detail below (see Number 7 below).

Residential -- The residential market is also growing in Bernalillo. Over the past five years, developers have introduced new projects that have increased production and expanded market volume. Bernalillo has a strong position in the residential market given its location. Recent buyer profiles include residents that commute to a number of different employment centers including Albuquerque, Santa Fe, and Los Alamos. Given the land constraints each of these markets face, demand for Bernalillo product will increase. There are a number of methods used in this study to project residential demand. The challenge is to estimate demand for higher-density TOD products that have a very limited presence in the market today.

Based on Town of Bernalillo data and interviews with Town staff and local developers, the Town has seen additional units of 35 to 60 per year in the recent past. Given a number of factors affecting future development in the Town, local capture for TOD projects within the two station areas could be 50 percent of the Town's development activity. Although a factor of 50 percent would be high in most markets, it appears reasonable in this context given the existing momentum and limited options for land. Based on this analysis, the demand could approximate 30 units per year in the near term (using the high end of the range provided by staff) and increase to 50 units in year 2025, using the MRCOG growth projections. The station areas are expected to capture approximately 800 units of ownership housing and 240 units of rental housing.

It is assumed in this analysis that these units would be constructed within the two station areas and be built at 7 to 12 units per acre for ownership and approximately 25 units per acre for rental housing. It is expected that these units be attached housing, very small-lot single family, or compound-style units.

6. The development of a master plan for each station area is essential to synthesize the community vision and provide direction to developers.

The master planning effort will generate design concepts that reflect the community vision. This, in turn, will provide direction to developers interested in TOD projects. More importantly, the adoption of the master plans establishes clarity and reduces risk. Because TOD concepts are relatively new in the Albuquerque Area, reducing risk is an important factor that will impact developers' decisions to work in a station area.

One way to measure the success of a master plan is the extent to which it triggers developer interest. Creating plans that are consistent with market demand is critical for success. General parameters for design call for gross density of 7 to 12 units per acre for ownership units, with minimum parcel sizes of 1 to 2 acres. Rental units should be expected to reach 20 to 25 units per acre, depending on parking concessions. The recommendations are based on national research of existing TOD projects as well as local research of developer expectations. Parcel size depends on project size, and given that there are high density projects under development in the region with as few as six units, smaller sites can work. In general, most are larger to provide an economy of scale and achieve viability. For ownership projects currently being designed in neighborhoods where density has a track record, most fall in the range of 25 to 50 units. For emerging markets, such as the station areas under consideration, smaller developments of 15 to 25 units will be better received.

7. Specific sites within the station area are better positioned for redevelopment than others, based on market factors. The identification of these sites in the master planning process will improve implementation efforts.

As part of the planning process, it is important to elevate specific sites within the station areas by applying market research. To do this, there are several market-based criteria that can be applied to gauge development potential. Applying these criteria will prioritize the sites that are most likely to generate market interest. The list should be expanded as needed to incorporate local community insight and priorities.

Proximity – Correlation of the distance from a Rail Runner station and its impact on demand for new commercial or residential product. Can be generally measured by the likely Rail Runner use by future residents or commercial patrons.

Parcel Size – Ability to achieve critical mass and generate sufficient returns for developers.

Contribution to Synergy – Ability of parcel to increase overall station area vitality and catalyze development on adjoining sites.

Connectivity – Contribution to network that provides comprehensive pedestrian, bicycle, and vehicular access to stations.

Readiness – Evaluation of short-term and long-term development potential to probable market response.

Adjacencies – Relationships to adjoining sites that increase or decrease development potential.

Aesthetic Factors – Need for redevelopment of specific sites to improve character of larger area and increase overall demand.

8. Strong partnerships between the public and private sectors are vital to successful station area development. There are responsibilities for both that should be addressed to implement the master plans effectively.

Both public and private sectors will play critical roles in the implementation of the master plans. Entitling land is one of the most important steps to increase land value. It is important for local governments to attenuate land costs by not providing entitlements too early in the process, but grant them after developers aggregate sufficient land area and propose projects consistent with master plan concepts. Local governments have a valuable tool to jump-start market demand by providing new infrastructure, paid for by public financing. The use of eminent domain should be kept as an option, although local interest has dropped recently due to state legislation and national court decisions.

The development community also plays an important role. Developers report that buying land and securing entitlements represent the biggest challenges in the development process. To facilitate these steps, local governments should start a dialogue with landowners, commercial brokers, and developers. Landowners recognize the increase in land value that is attributed to the introduction of nearby rail service; however, many overestimate the value to the point where redevelopment is no longer

viable. Information should be provided to all players documenting proforma based residual land values and regional comparable sales, calibrated for local conditions. Partnership models should be provided that motivates sellers to work with developers and allow profit participation in the event the market soars. Sometimes referred to as "home run insurance," it helps landowners benefit in the event that profits exceed industry standards and helps developers create willing sellers.

9. There are opportunities that will foster TOD growth within each community. There are also constraints that must be addressed.

Each community has a range of factors that will affect market demand. A detailed evaluation is provided in Chapter IV with a summary provided below:

South Valley – The South Valley context is changing, as evidenced by recent developer interest in sites around the Rail Runner station. One of the proposed projects calls for high-end residential development with homes, notwithstanding the context or perception. Others, while preliminary, call for a hotel, office, retail, and residential uses. The availability of vacant land is another asset. High visibility, proximity to I-25, and high traffic counts on Rio Bravo and Broadway are additional assets. Brokers have said that the fact that the South Valley will no longer be on the periphery of the region once Mesa del Sol develops will increase demand for all product types. Challenges include addressing impacts from existing uses on sites surrounding the station area, including industrial uses that not compatible with new mixed-use projects.

Los Lunas – There are several market factors in Los Lunas that foster TOD growth. The expanding market, with a dramatic jump in commercial and residential construction in the past two years, provides a positive context for all development. There appears to be large parcels in the vicinity of the station that are underdeveloped. One of the most significant challenges is the need to draw a portion of market activity away from the I-25 corridor to the station area, where a majority of the commercial and residential development is located.

Bernalillo – The growth in residential and commercial development in the recent past shows that the location attracts market support from multiple markets. The recent expansion of the residential market reflects a change in breadth of demand and provides momentum to build on. The substantial expenditure potential of neighboring communities presents a significant opportunity and represents a challenge to increase regional capture. Limited land supply, property aggregation, and the shift to higher density development are challenges that will need to be addressed.

II. REGIONAL OVERVIEW

This chapter addresses the economics and demographic of the Albuquerque Area in general. An overview of these topics sets the stage for understanding: how quickly the regional population is increasing and what portions of it are growing fastest; the pace of employment growth and what sectors explain its strength; the pace of residential and commercial construction; and the trends in sales prices of new construction and resale properties. The second half of this chapter addresses population, household, and employment projections for the area.

POPULATION & HOUSEHOLDS

The population of the Albuquerque Area increased at a rate of 12,361 people per year between 1990 and 2000, and increased 15,863 from 2000 to 2005, as seen in **Table 1**. Although much of the growth in the area is attributable to Bernalillo County, Sandoval County's rate of growth from 2000 to 2005 exceeded the other two counties' growth as well as the region's growth.

Table 1
Population Trends by County, 1990-2005
Rail Runner TOD Evaluation

County	1990	2000	2005 [1]	1990-2000 Ann #	1990-2000 Ann %	2000-2005 Ann #	2000-2005 Ann %
Bernalillo County	480,577	556,678	613,521	7,610	1.5%	11,369	2.0%
Sandoval County	63,319	89,908	106,908	2,659	3.6%	3,400	3.5%
Valencia County	45,235	66,152	71,625	2,092	3.9%	1,095	1.6%
Albuquerque Area	**589,131**	**712,738**	**792,054**	**12,361**	**1.9%**	**15,863**	**2.1%**

[1] Note: This figures originate from estimates based on MRCOG DAZ data.

Source: MRCOG; Economic & Planning Systems

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EMPLOYMENT

In 2006 employment in the Albuquerque Area saw the largest increase in the past 10 years, as shown in **Table 2**. The national economic slowdown from 2001 to 2003 affected the Albuquerque Area greatly with below average employment increases and even many losses.

Historically there have been certain sectors of employment that have fuelled the increases in employment. During the early 1990s, management of companies and enterprises, for example, saw an average annual increase of more than 25 percent, or 4,002 workers. Administrative services, health care and social assistance, and construction also increased substantially.

Between 2001 and 2003, large losses occurred in the sectors of construction, manufacturing, finance, and administrative services. The construction industry has recovered since its losses and has increased more than 7,000 workers over its pre-2001 level; manufacturing has still not recovered from its three years of losses; and finance and insurance has also not recovered from losing more than 1,000 workers between this time. Administrative services however, has since recovered. Most remarkable is the health care and social services industry, which through this period made gains of more than 1,000 workers per year against the trends in other industry sectors.

Table 2
Employment Trends, 2000-2006
Rail Runner TOD Evaluation

Industry Sector	2000	2001	2002	2003	2004	2005	2006 [2]	Change 2000-2006 #	Ann. #	Ann. %
Agriculture	223	211	215	232	222	209	205	-18	-3	-1.4%
Mining	113	121	286	317	125	139	124	11	2	1.5%
Utilities	856	1,332	1,146	1,093	279	310	594	-262	-44	-5.9%
Construction	22,357	23,932	22,210	22,852	24,684	9,086	29,858	7,501	1,250	4.9%
Manufacturing	26,476	26,175	23,845	22,781	21,714	22,012	23,022	-3,454	-576	-2.3%
Wholesale Trade	13,781	13,551	13,278	12,818	12,683	6,506	13,070	-711	-118	-0.9%
Retail Trade	39,262	39,481	39,909	39,710	40,558	14,330	40,840	1,578	263	0.7%
Transportation and Warehousing	11,279	10,883	10,861	10,812	2,986	3,577	10,942	-337	-56	-0.5%
Information	9,479	10,124	9,868	9,348	9,771	3,108	9,545	66	11	0.1%
Finance and Insurance	13,042	13,265	12,307	12,314	12,251	6,163	12,126	-916	-153	-1.2%
Real Estate, Rental, and Leasing	5,237	5,010	5,160	5,070	5,169	2,678	5,532	295	49	0.9%
Professional and Technical Services	26,891	27,102	27,287	28,262	28,817	7,438	30,233	3,342	557	2.0%
Management of Companies and Enterprises	4,474	4,599	4,285	3,949	3,417	3,656	4,039	-435	-73	-1.7%
Administrative and Waste Services	27,086	26,239	25,462	24,629	25,997	6,738	28,005	919	153	0.6%
Educational Services	2,558	4,728	4,809	5,004	5,385	1,897	5,908	3,350	558	15.0%
Health Care and Social Assistance	32,055	33,101	34,674	35,503	37,643	9,591	39,285	7,230	1,205	3.4%
Arts, Entertainment, and Recreation	5,862	5,745	6,480	6,575	6,703	1,700	3,510	-2,352	-392	-8.2%
Accommodation and Food Services	29,478	30,020	30,451	31,255	31,374	15,811	33,358	3,880	647	2.1%
Other Services, Except Public Administration	8,735	9,189	9,368	9,526	9,554	3,278	9,816	1,081	180	2.0%
Government and Government Enterprises	16,200	17,250	17,943	18,253	18,735	6,419	19,529	3,329	555	3.2%
Total [3]	**331,822**	**335,144**	**333,260**	**334,063**	**339,957**	**346,675**	**358,052**	**26,230**	**4,372**	**1.3%**
Change over Previous Year	8,972	3,322	-1,884	803	5,894	6,718	11,377			

[1] Note: Albuquerque Area is the summation of Sandoval and Bernalillo counties

[2] Note: 2006 based on first three quarters only.

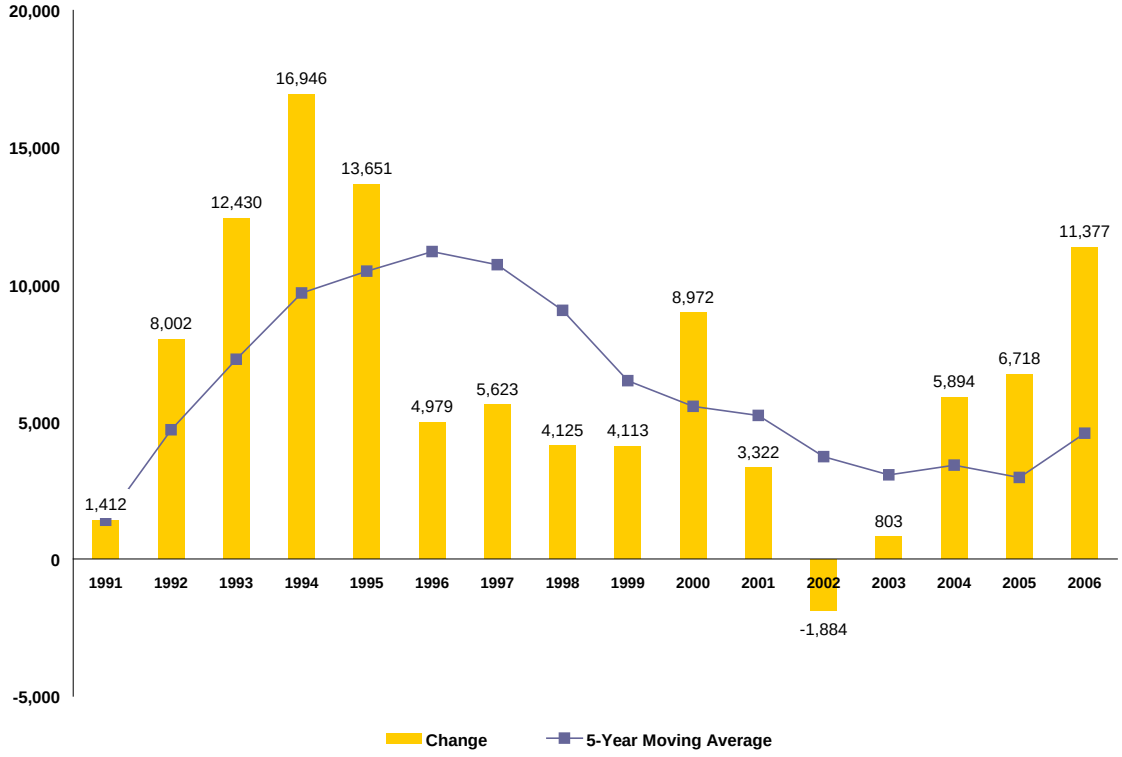
[3] Note: Sectors do not add up to total due to supressed data

Source: Bureau of Labor Statistics; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-BLS.xls]TotalEmployment

Job growth is recovering steadily from a recent economic slowdown. In 2006 the first three quarters' employment average had the largest increase in a decade, as shown in **Figure 1**. The information illustrates the change in total jobs over previous years and plots a five-year moving average to show the general trend in employment change. The early to middle 1990s saw robust job growth that exceeded 10,000 new workers per year up to 1996. With the exception of a relatively strong year in 2000, roughly 3,300 to 5,600 new jobs were created per year between 1996 and 2001. Employment in the area was affected by 9/ 11 and the ensuing economic slowdown. Although 2003 marked the beginning of the resumption of employment gains, 2004 was clearly the first year that employment increased at a pre-9/ 11 rate. The year 2006, however, has produced gains of more than 11,300 workers, an increase clearly as large as any in the past 10 years, and the same order of magnitude as gains of the middle 1990s.

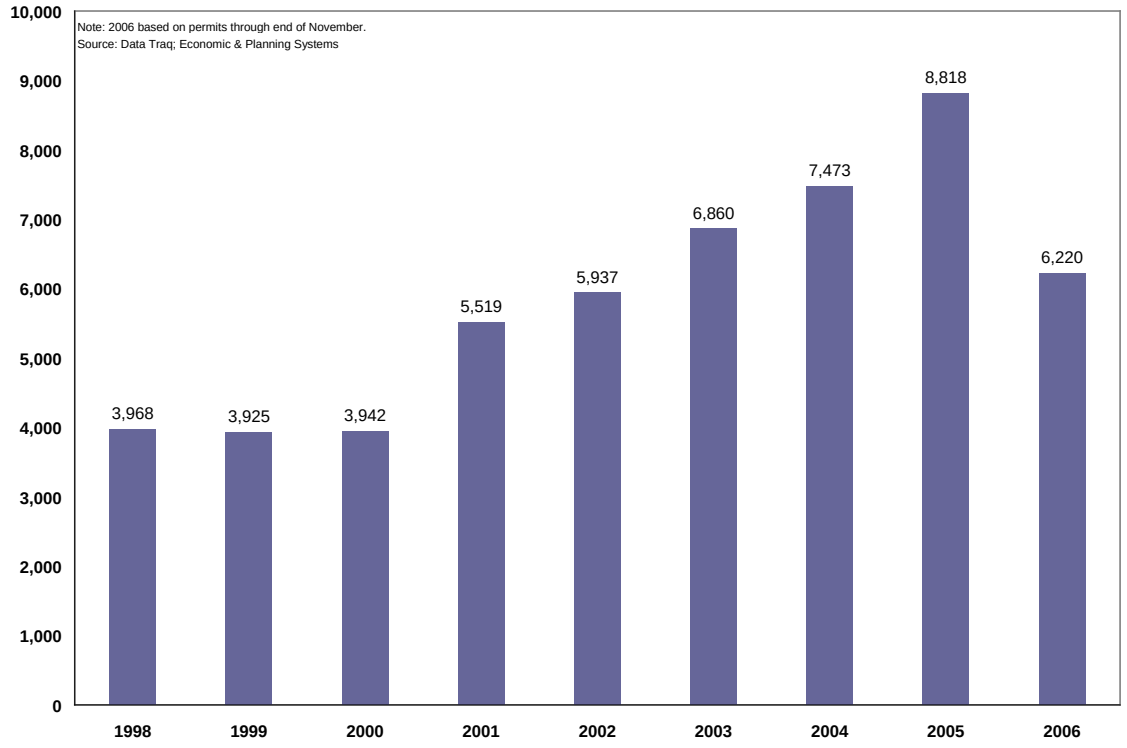
Figure 1
Employment Changes, 1991-2006
Rail Runner TOD Evaluation



CONSTRUCTION AND DEVELOPMENT

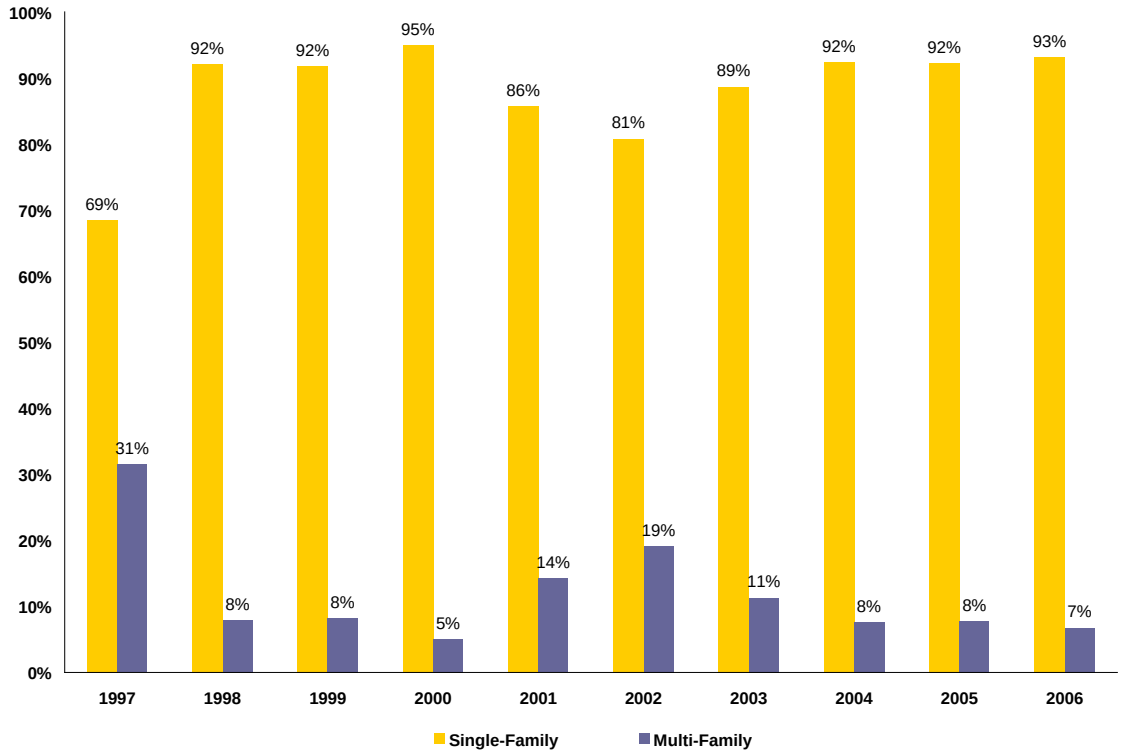
Fluctuations in population and employment in the Albuquerque Area have made clear the patterns of growth from the early 1990s and again in recent years. Based on data from DataTraq and MRCOG, the years 2001 to 2005 were a time of ever-increasing activity in the residential construction industry. This escalation saw a market correction in 2006 with a 29.5 percent contraction, as shown in **Figure 2**.

Figure 2
Building Permits (DataTraq), 1998-2006
Rail Runner TOD Evaluation



Looking for a breakdown of the percentages of single family permits versus multi-family permits identifies a general pattern of multi-family construction. **Figure 3** illustrates the percentages of permits for single or multi-family units. The years 1997 and 2002 saw the largest proportions of multi-family construction relative to other years, leading to the conclusion that if the five-year multi-family development cycle is repeated, then 2007 will see construction of a higher percentage of multi-family housing relative to previous years.

Figure 3
Residential Building Permits, 1997-2006
Rail Runner TOD Evaluation



The details of permit activity by location are shown in **Table 3.** The greatest activity occurred in the northwest with an annual average number of permits at 2,397 and in Rio Rancho with 1,498 average permits per year between 2001 and 2005. The entire area in this period of time also was marked by an average annual increase in the number of permits over the previous year of 12.4 percent.

Table 3
Building Permits, 1998-2006
Rail Runner TOD Evaluation

Place	1998	1999	2000	2001	2002	2003	2004	2005	2006 [1]	Change 01 - 05 Avg. #	Change 01 - 05 Avg. %	Change 01 - 06 Avg. #	Change 01 - 06 Avg. %	Change 05 - 06 Avg. #	Change 05 - 06 Avg. %
Southeast	86	273	191	249	218	134	254	141	274	199	-13.3%	212	1.9%	208	94.3%
Southwest	755	726	855	1,097	1,076	1,205	1,525	1,424	1,183	1,265	6.7%	1,252	1.5%	1,304	-16.9%
Northeast	680	731	810	755	893	1,199	808	547	229	840	-7.7%	739	-21.2%	388	-58.1%
Northwest	1,854	1,769	1,481	2,000	2,281	2,484	2,479	2,739	1,589	2,397	8.2%	2,262	-4.5%	2,164	-42.0%
Rio Rancho	593	426	605	820	835	1,198	1,715	2,920	1,904	1,498	37.4%	1,565	18.4%	2,412	-34.8%
Uninc. Bernalillo County	---	---	---	327	390	438	395	331	362	376	0.3%	374	2.1%	347	9.4%
Uninc. Valencia County	---	---	---	161	130	124	187	220	264	164	8.1%	181	10.4%	242	20.0%
Los Lunas	---	---	---	110	114	78	110	496	415	182	45.7%	221	30.4%	456	-16.3%
Annual Production															
Total	**3,968**	**3,925**	**3,942**	**5,519**	**5,937**	**6,860**	**7,473**	**8,818**	**6,220**	**6,921**	**12.4%**	**6,805**	**2.4%**	**7,519**	**-29.5%**
Five Primary Quadrants	3,968	3,925	3,942	4,921	5,303	6,220	6,781	7,771	5,179	6,199	12.1%	6,029	1.0%	6,475	-33.4%
Three Rural Quadrants	---	---	---	598	634	640	692	1,047	1,041	722	15.0%	775	11.7%	1,044	-0.6%

[1] Note: 2006 based on permits through end of November.

Source: DataTraq, Economic & Planning Systems

H:\17801-Mesa del Sol Residential Market Update\Data\[17801-PermitData-2006.xls]PermitActivity

Rental

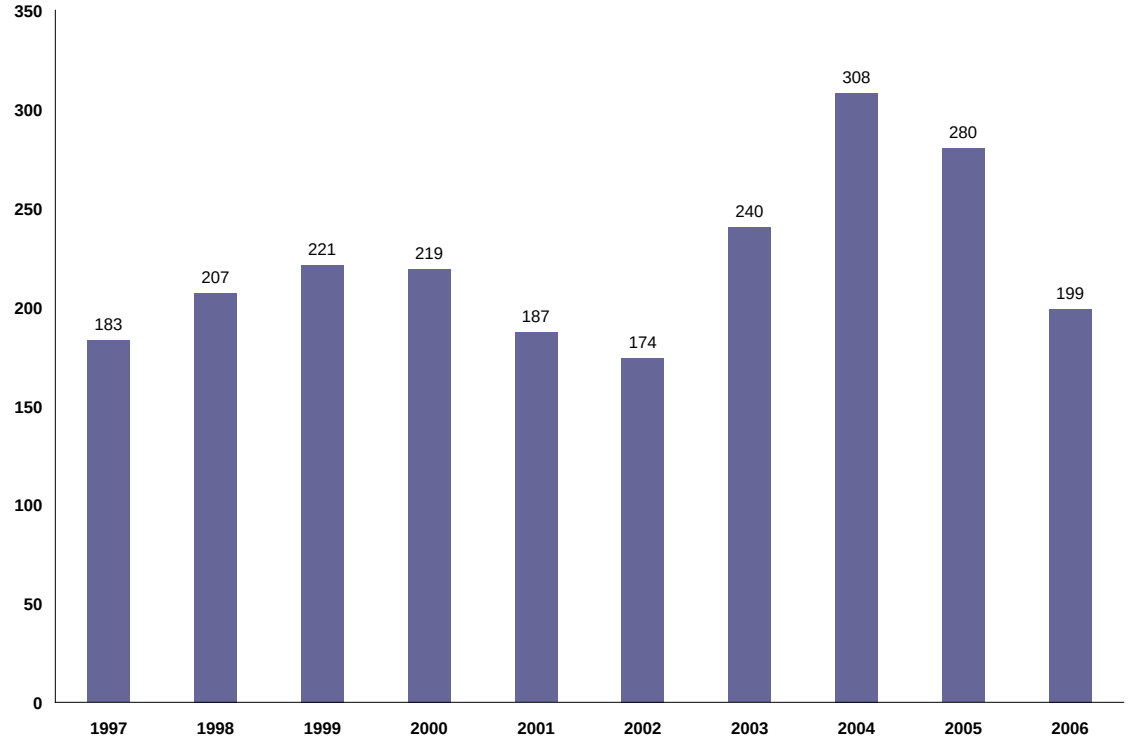
The trend in rental unit construction is generally traceable using MRCOG's count of multi-family housing unit permits, which is consistent with data collected by the Apartment Association of New Mexico (AANM). As seen in the breakdown of single versus multi-family permits in **Figure 3**, there exists a pattern in the construction of units that appears to peak every five or so years, indicating that this year's construction may spike again. In a peak year, the number of multi-family/ rental unit in the area averages between 750 and 765, and in other years, averages between 365 and 410. The AANM reports that there is currently an inventory of approximately 9,000 units and a vacancy rate of 7.1 percent in the Albuquerque Area. The vacancy rate is approximately 2 percentage points above equilibrium. At 7 percent, apartment property can typically raise rents without reducing occupancy levels.

Given that there seems to be a pattern in the construction of multi-family/ rental units in the area, it is reasonable to forecast that a sizeable percentage of those residential units projected for the area could be rental properties. The general inventories of rental units reported to the AANM and vacancy rates for the station areas will be discussed in more detail in Chapter V.

COMMERCIAL

Similar to the trends in residential permits, commercial activity in the Albuquerque Area picked up after the slowdown caused by 9/ 11, and also contracted in 2006 after a spike in 2004 and 2005.

Figure 4
Non-Residential Building Permits, 1997-2006
Rail Runner TOD Evaluation



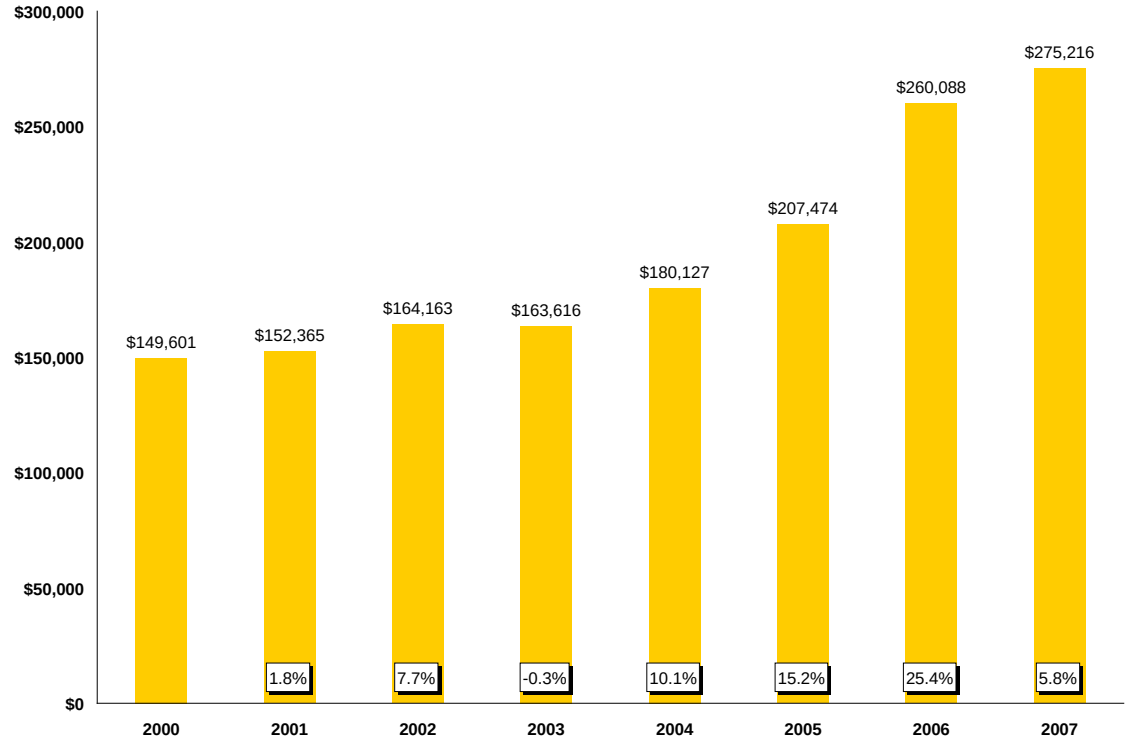
Source: MRCOG; Economic & Planning Systems

SALES TRENDS

That sales prices in the area have remained strong even through the contraction in permit activity of 2006 is significant. The increase may be attributed to the upward movement of employment over the same time period. The increase may also be attributed to inflated prices that mark substantial concessions that bring the actual sales price down. Data on the trends in sales comes from two sources: SalesTraq and the Southwest Multiple Listing Service (MLS). Both provide an indication of pricing, size, product type, and absorption for both new product sales and sales of existing structures.

Figure 5 illustrates that the average price of new housing products has increased from 2000 to 2007[1] in spite of a decline in construction activity. In 2000, the average new home price was $149,601, and by 2006 has increased to $275,216, an 84 percent increase in average price or 10.4 percent increase per year from 2000 to 2007.

Figure 5
Average Sales Prices, 2000-2007
Rail Runner TOD Evaluation

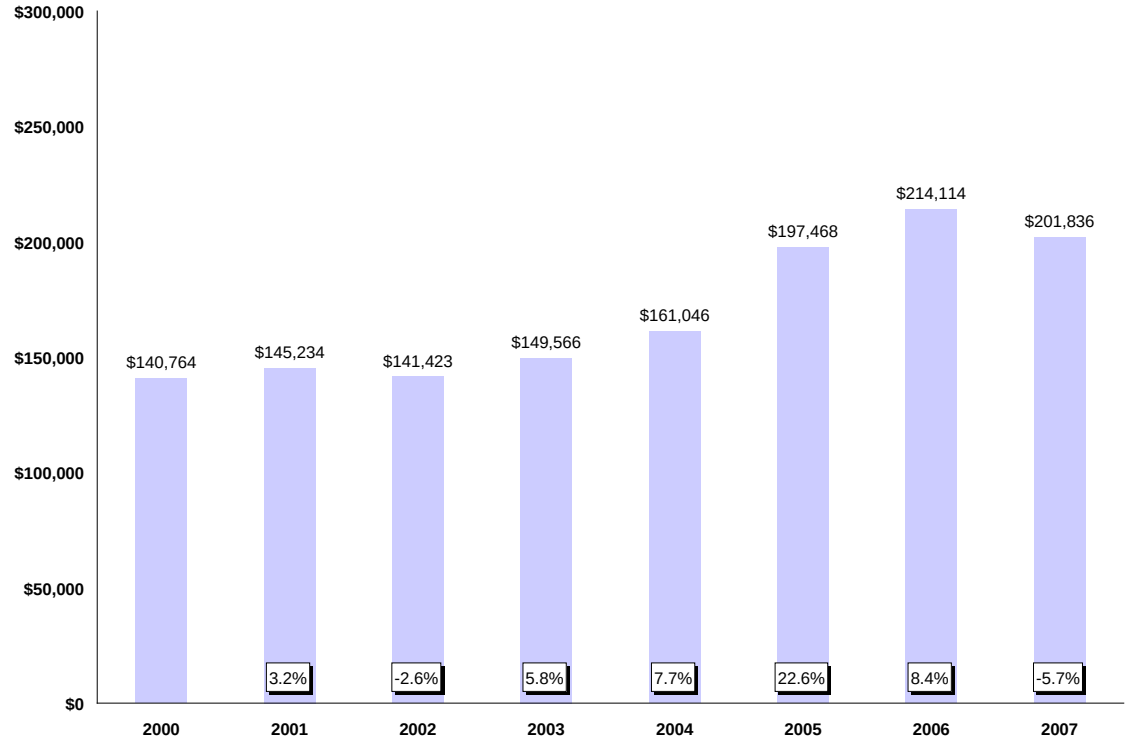


Source: SalesTraq; Economic & Planning Systems

[1] Average prices in SalesTraq data are calculated using the number of records of the various models by each builder in the relative geography. The year 2007 average is based on 4,598 records of housing products in all subdivisions that are actively selling units.

By contrast to the average price of a new housing product, the average sales price of a property listed on the MLS shows sensitivity to market conditions. **Figure 6** illustrates the change in average sales price of residential properties in the area between 2000 and 2007[2]. Average sales prices increased with great strength from 2003 to 2006, but turned down by nearly 6 percent in the first part of 2007. The average sales price of a house in 2000 was $140,764 and increased to $214,114 by 2006, an increase of 52 percent or 7.2 percent per year.

Figure 6
Average Resale Prices, 2000-2007
Rail Runner TOD Evaluation



Source: SWMLS; Economic & Planning Systems

[2] The average sales price for 2007 is calculated using a base of 590 sales recorded between January 1 and May 1, 2007.

REGIONAL PROJECTIONS

POPULATION AND HOUSEHOLD FORECASTS

MRCOG manages a detailed model used to forecast growth within the Albuquerque Area. As shown in **Table 4** the area is projected to grow from approximately 845,000 people in 2010 to more than 1,000,000 by 2025, an annual average increase of 1.3 percent. While Bernalillo County's population is expected to grow at 1.1 percent per year up to 2015 and 0.9 percent per until 2025 after that, Valencia and Sandoval counties are projected to grow at a greater rate. The populations of the outlying counties are projected to grow at an annual rate of 2.4 to 2.9 percent until 2015 and between 2.0 and 2.2 percent from then until 2025.

Table 4
Regional Population & Households Projections, 2005-2025
Rail Runner TOD Evaluation

						2005-2015		2015-2025	
Area	**2005**	**2010**	**2015**	**2020**	**2025**	**Ann #**	**Ann %**	**Ann #**	**Ann %**
Sandoval County									
Population	108,527	126,294	144,377	162,409	179,998	3,585	2.9%	3,562	2.2%
Households	38,238	45,171	52,178	59,297	66,392	1,394	3.2%	1,421	2.4%
Average Household Size	2.84	2.76	2.73	2.69	2.66				
Valencia County									
Population	76,515	86,708	97,330	108,064	118,593	2,082	2.4%	2,126	2.0%
Households	26,525	30,598	34,743	39,021	43,322	822	2.7%	858	2.2%
Average Household Size	2.88	2.78	2.75	2.71	2.68				
Bernalillo County									
Population	595,937	631,839	666,114	698,832	729,750	7,018	1.1%	6,364	0.9%
Households	238,860	257,448	274,175	290,526	306,356	3,532	1.4%	3,218	1.1%
Average Household Size	2.49	2.40	2.37	2.34	2.32				
Total									
Population	780,979	844,841	907,821	969,305	1,028,341	12,684	1.5%	12,052	1.3%
Households	303,623	333,217	361,096	388,844	416,070	5,747	1.7%	5,497	1.4%
Average Household Size	2.57	2.48	2.46	2.43	2.41				

Source: UNM BBER; Economic & Planning Systems

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EMPLOYMENT FORECASTS

Table 5 shows the rates of employment growth for the area disaggregated by general industry sector. Although employment growth in Bernalillo County is not projected to be as aggressive as the growth in the other counties, it appears to maintain a strong hold of its share in the market—from 2010 to 2025 its proportion of jobs remains at more than 86 percent of regional employment. Overall, average growth of approximately 6,700 jobs per year between 2005 and 2015 and 5,400 jobs per year between 2015 and 2025 is consistent with the five-year moving average found in the Bureau of Labor Statistics employment data from **Figure 1**.

Table 5
Regional Employment Projections, 2005-2025
Rail Runner TOD Evaluation

Area	2005	2010	2015	2020	2025	2005-2015 Ann #	2005-2015 Ann %	2015-2025 Ann #	2015-2025 Ann %
Sandoval County									
Basic	12,619	13,364	13,706	13,996	14,180	109	0.8%	47	0.3%
Retail	5,784	6,621	7,144	7,579	8,018	136	2.1%	87	1.2%
Service	14,299	18,264	22,117	26,084	30,216	782	4.5%	810	3.2%
Total	**32,702**	**38,249**	**42,967**	**47,659**	**52,414**	**1,027**	**2.8%**	**945**	**2.0%**
Valencia County									
Basic	4,540	4,861	5,110	5,362	5,564	57	1.2%	45	0.9%
Retail	3,806	4,328	4,856	5,471	6,109	105	2.5%	125	2.3%
Service	8,027	8,982	9,790	10,493	11,222	176	2.0%	143	1.4%
Total	**16,373**	**18,171**	**19,756**	**21,326**	**22,895**	**338**	**1.9%**	**314**	**1.5%**
Bernalillo County									
Basic	105,250	106,783	107,633	108,778	109,714	238	0.2%	208	0.2%
Retail	67,375	71,258	73,455	75,451	77,444	608	0.9%	399	0.5%
Service	199,171	224,522	244,014	261,892	279,422	4,484	2.1%	3,541	1.4%
Total	**371,796**	**402,563**	**425,102**	**446,121**	**466,580**	**5,331**	**1.3%**	**4,148**	**0.9%**
Albuquerque Region									
Basic	122,409	125,008	126,449	128,136	129,458	404	0.3%	301	0.2%
Retail	76,965	82,207	85,455	88,501	91,571	849	1.1%	612	0.7%
Service	221,497	251,768	275,921	298,469	320,860	5,442	2.2%	4,494	1.5%
Total	**420,871**	**458,983**	**487,825**	**515,106**	**541,889**	**6,695**	**1.5%**	**5,406**	**1.1%**

Source: MRCOG; Economic & Planning Systems

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III. LOCAL MARKET RELEVANCY

Because the Albuquerque Area has a limited number of higher density mixed-use developments, and because little of this product is located in the communities slated for transit oriented development, this chapter is focused on the relevancy and appeal higher density development will have to local residents.

COMMUTING CONGESTION

Interviews with national and local homebuilders that are active in the Albuquerque market show an increasing concern about commuting congestion. Albuquerque buyers are concerned about the growing distance between new subdivisions and existing employment centers. With longer commuting distances comes greater congestion and time spent on the road. There is a lack of infrastructure funding to link and improve major arterial roads, which is compounded by the challenge presented by the Rio Grande and the limited number of points to cross the river.

The Texas Transportation Institute is a research arm of Texas A&M University and has conducted studies of traffic problems and solutions across the country for several decades. One element of the research includes an evaluation of the hours of delay per traveler per year across 85 U.S. cities. In 1982, the hours of delay for the Albuquerque Area were six. By 1993, the time increased to 23 hours. In 2003, the most recent year for which data is available, the annual hours of delay per traveler increased to 30.

Over the past three decades, the annual hours of delay has increased five-fold. While the rate of increase since 1993 has not been as sharp, it nevertheless continues to rise. Future conditions are likely to become worse, based on these trends. Homebuilders report an increasing interest from buyers to locate closer to I-25 or I-40 in response. These data suggest that developments located in close proximity to commuter rail stations will become more relevant to homebuyers and renters in the future.

LOCAL MARKET ACCEPTANCE OF DENSITY

Until recently, attached housing in the Albuquerque Area was limited and its success inconsistent. There have been recent successes and failures in the market for mixed-use projects that will prove to be instrumental in crafting better mixed-use products in the communities planning TODs.

MIXED-USE DEVELOPMENTS

There are several local projects exemplify the kind of mixed-use project that regional communities desire. For example, the attractive adaptive reuse of the Albuquerque High School near downtown offered a wide range of attractive units and convenient setting at reasonable prices. Absorption since the project's opening has been very

strong. Similarly, smaller-scale high density projects like Huning Gardens on Lead and High Streets and Roma Condominiums on 8th and Roma have sold well.

On the other hand, projects like the Gold Avenue Lofts have not been well received for several reasons. Intended to be a compelling selling point, the requirement that buyers finish their units has deterred sales. The size and price point exceed what most buyers are willing to spend. Projects such as the Silver Lofts have been selling slowly, perhaps hindered slightly by their design style. As live-work units, the resulting size pushes price points above the core of the market.

Below is a summary of attached and/ or mixed use developments. The purpose of listing these local examples is to understand what works and what does not work in the area, and to modify the recommendations for the Bernalillo, Los Lunas, and South Valley stations accordingly.

Existing Projects

Lofts at Albuquerque High – The structures of the 1914 Albuquerque High School were renovated and converted to lofts for sale and lease. Absorption of these units has been extremely strong, which is attributable to their amenities, price points, and size. Of the 180 units built in Phases I, II, and III, all were absorbed within six months of completion. Sizes range from 600 to 1,300 square feet, and sales prices range from $150,000 to $275,000. A portion of the units are leased, but are being sold as leases expire.

Gold Avenue Lofts – This attractive mixed-use building sits directly across from the Downtown Albuquerque Rail Runner station. The building, which includes some live-work units, offers a range of unit sizes from approximately 1,000 to 1,700 square feet and are priced between about $230,000 and $500,000. Sales price per square foot averages $300. These prices do not include the interior of the unit (walls, kitchen, bathrooms, etc.), which must be added to the total cost of the unit. Of the 42 units in the building, about 8 have sold. The development community believes the lack of sales is attributed to the high base price and cost associated with interior completion.

Silver Street Lofts – Completed in June 2005, the mixed-use development is made up of live-work units. Studio/ office space is provided on the ground level with two stories of residential space above. The units range from about 1,000 to 1,600 square feet, like the ones pictured, and are priced from $230,000 to about $450,000. Most in Phase I are approximately 1,500 square feet. Sales have been slow, with about 15 of 18 in Phase I sold over 12 months, though 12 sold in the first 5 months. While below expectations, the developer believes in the depth of the market and is currently pursuing additional phases.

Huning Gardens – This is a small-scale residential development of 9 condominiums, each with a private patio or deck. The building is designed around a common courtyard space. The units range from about 800 to 1,000 square feet.

Roma Condominiums - This is another small-scale residential project of 9 condominiums located just west of downtown. The units range from 935 to 1,050 square feet, and are priced from $166,000 to $186,000. Four of the 9 condominiums are currently reserved.

Projects in Development Pipeline

Lofts at Albuquerque High (Phase IV) – The remaining phase of this project is strictly residential and is planned to open by early 2008. There are 54 units in this section ranging from about 700 to 2,000 square feet. The prices will be centered on a median price of $175,000.

12th & Mountain – This project is a small-scale infill development with just 4 units with neighborhood level retail. The units range from about 770 square feet to 1,060 square feet, and are being offered at approximately $170,000 to $245,000. The units will each have access to a shared courtyard, balcony or deck; the project sits in the midst of a developed neighborhood and includes a small retail component. All 4 of the units are still available.

Silver Street Lofts (Phase II and III) – The second phase of the site will be developed with 29 additional live/ work units and Phase III with 60 smaller units. The units in the second phase range from 900 to 1,200 square feet and are priced between $230,000 and $350,000. While the Phase II units are smaller than Phase I, the units in Phase III are planned to be even smaller with a generally lower price point.

3rd & Lead – This infill project near the Downtown Albuquerque Rail Runner station will contain 72 units and a retail component. The units will be townhouse-style units on small individual lots.

505 2nd Street – This is a small-scale residential project of 4 for-lease units located south of the Rail Runner station downtown. The units are all 675 square feet and will lease at $750 per month.

The Place in Nob Hill – This mixed-use development is planned along Central Avenue near the university. It contains 28 residential units and approximately 25,000 square feet of rentable area for commercial tenants. It is planned to open late 2007.

Based on the research, some local mixed-use projects have been successful and some have not. Common observations by developers and brokers provide the following design and pricing parameters:

The Albuquerque Area is at a tipping point concerning attached housing. Buyers are choosing attached products for lifestyle reasons rather than only economic factors. While the overall pool of projects is small, the number of projects and number of units is accelerating.

Price is a fundamental driver. One-bedroom units should start near $150,000. Two-bedroom units can range from $180,000 to $220,000. Three-bedroom units can be priced from $250,000 to $275,000 and sell. Ideally, a project will keep the weighted average between $180,000 and $200,000.

Density is important. Generally, units can be delivered at lower prices in higher density developments.

Unit size must be controlled. The primary success in attaining low prices is to keep units small. Over-sizing and over-pricing units has been a major factor contributing to slow sales rates of earlier projects.

Design must be compelling. In some environments, edgy architectural designs increase sales; however, it appears that the projects that have done the best reflect regional flavor.

The most important unit amenity appears to be private open space. While decks can easily be incorporated into most designs, the most recent group of projects have incorporated patios as part of townhome-style units.

Area amenities are important. Buyers are willing to trade-off single family living for an attached home if they can enjoy amenities within walking distance of their new home. Examples include retail offerings, such as a coffee shop, deli, bakery, and grocery store as well as entertainment venues such as movie theaters.

Simplicity is a major motivator. Buyers within TOD projects will be motivated to purchase or rent new homes if they can simplify their lives. The appeal of walkable transit stations are only one component of this. Other factors that offer simplicity and save time should be incorporated into the project designs.

Green features were not listed by any of the builders or developers as a motivating factor for buyers. This may change over time, with the growing awareness of conservation benefits.

The list of residential and mixed-use projects in the pipeline in these various locations looks very promising. The critical factors to their success and the success of following projects will be determined by the price point, the size, and the number and quality of neighborhood elements and amenities such as neighborhood-level retail.

DEMOGRAPHIC & PSYCHOGRAPHIC REGIONAL PROFILE

In order to understand the demographics of the Albuquerque Area better, data have been gathered on psychographic aspects of the population. Claritas, a national firm specializing in demographic data analysis, provides profiles of 66 types of psychographic sectors in its dataset known as PRIZM. Each profile is defined by a particular age group, income group, household type, and other standard measures of demographic characteristics.

An overview of the Albuquerque Area in 2006 is shown in **Table 6**; it displays those segments that are significantly larger than the segments of the population of the U.S., indicating that Albuquerque has a predominance of those population segments. The table shows the income category, age category, and number of households for both Albuquerque and the U.S.

A comparison reveals that 35 percent of Albuquerque's population falls in the "Mostly Singles" or "Singles & Couples" categories, which are largely those under the age of 35 or older than 65, whereas the share of the U.S. population that falls in these two categories is only 15 percent.

The relevance is that these two segments of the population are the two likeliest segments to inhabit TOD areas[3]. According to the Center for Transit Oriented Development, the areas ½ mile around a rail station in a small and expanding system will see a 10 percent growth increase in these two segments of the population.

[3] According to the Center for Transit Oriented Development, a 2001 FHA study found that 53 percent of those ages 24 to 34 preferred to live in walking proximity of stores and other conveniences, and AARP reports that 71 percent of older generations want to live in walking distance of transit.

Table 6
Demographic Profiles, 2006
Rail Runner TOD Evaluation

Category	Income Category	Age Category	Albuquerque HHs	Albuquerque % ABQ	US %
Families with Children					
Beltway Boomers	$60,000 - $69,999	Age 35-64	3,101	1.01%	0.96%
Blue-Chip Blues	$45,000 - $59,999	Age <45	10,343	3.37%	1.25%
Kid Country, USA	$32,000 - $44,999	Age <45	6,763	2.20%	1.34%
Kids & Cul-de-Sacs	$60,000 - $69,999	Age 25-54	7,144	2.33%	1.63%
Married Couples					
Greenbelt Sports	$45,000 - $59,999	Age 25-54	5,440	1.77%	1.44%
Home Sweet Home	$60,000 - $69,999	Age 25-44	7,103	2.32%	1.84%
Movers & Shakers	Greater than $95,000	Age 35-64	6,585	2.15%	1.61%
Money & Brains	$70,000 - $94,999	Age 45+	9,128	2.98%	2.02%
Mix of Married/Singles with Children					
American Dreams	$45,000 - $59,999	Age 25-44	12,736	4.15%	2.18%
Big City Blues	$25,000 - $31,999	Age <45	7,687	2.51%	1.12%
Low-Rise Living	$20,000 - $24,999	Age <35	6,761	2.20%	1.43%
Multi-Culti Mosaic	$32,000 - $44,999	Age 25-44	12,008	3.91%	1.71%
Suburban Pioneers	$32,000 - $44,999	Age <45	10,772	3.51%	1.04%
Mostly Singles					
Bohemian Mix	$45,000 - $59,999	Age <35	5,850	1.91%	1.79%
City Roots	$25,000 - $31,999	Age 65+	11,143	3.63%	1.15%
New Beginnings	$25,000 - $31,999	Age <35	7,048	2.30%	1.50%
Old Glories	$25,000 - $31,999	Age 65+	5,812	1.89%	0.97%
Urban Achievers	$32,000 - $44,999	Age <35	15,733	5.13%	1.52%
Urban Elders	$20,000 - $24,999	Age 55+	6,703	2.18%	1.32%
Singles and Couples					
American Classics	$32,000 - $44,999	Age 65+	9,925	3.23%	1.01%
Close-In Couples	$32,000 - $44,999	Age 55+	15,276	4.98%	1.18%
Domestic Duos	$45,000 - $59,999	Age 55+	5,024	1.64%	1.19%
Gray Power	$45,000 - $59,999	Age 65+	3,235	1.05%	0.92%
Suburban Sprawl	$45,000 - $59,999	Age 25-44	8,312	2.71%	1.31%
The Cosmopolitans	$45,000 - $59,999	Age 55+	12,370	4.03%	1.17%
Categories Subtotal			**212,002**	**69.10%**	**34.58%**
Albuquerque Total [1]			**306,806**	**100.00%**	**100.00%**

[1] Note: Albuquerque is a composite of Bernalillo, Sandoval and Valencia counties.

Source: Claritas; Economic & Plannning Systems

H:\16881-MRCOG TOD\Data\[16881-Psychograhics.xls]SelectionsbyHHtype

The trend in household type is shown in **Table 7**, which breaks down the area's households by composition. Growth in Bernalillo County, the heart of the Albuquerque Area, has been modestly increasing at 2.0 percent per year over the past seven years. Its households defined as singles or couples with no children has been increasing slightly faster, at 2.2 percent, and those defined as singles households – either "one-person male" or "one-person female" households, have been increasing even faster, at almost 3.0 percent per year. The household trends in Sandoval County have also behaved similarly. While it has increased in households faster than Bernalillo County, those defined as singles households have increased at an average annual rate of 4.6 percent, compared to the County average of 3.8 percent per year.

Table 7
Household Trends by Household Type, 2000-2007
Rail Runner TOD Evaluation

	2000		2007		2000-2007	
	#	%	#	%	#	Ann. %
Bernalillo County						
Singles & Couples (No Children)						
1 Person Male	29,147	13%	35,527	14%	6,380	2.9%
1 Person Female	33,814	15%	41,172	16%	7,358	2.9%
Married Couple	55,978	25%	63,382	25%	7,404	1.8%
Total	**134,779**	**61%**	**157,416**	**62%**	**22,637**	**2.2%**
Singles & Couples (with Children)						
Family - Male	6,468	3%	7,442	3%	974	2.0%
Family - Female	17,406	8%	19,832	8%	2,426	1.9%
Married Couple	45,545	21%	53,893	21%	8,348	2.4%
Total	**86,157**	**39%**	**95,818**	**38%**	**9,661**	**1.5%**
Total Households	**220,936**	**100%**	**253,234**	**100%**	**32,298**	**2.0%**
Sandoval County						
Singles & Couples (No Children)						
1 Person Male	2,720	15%	3,720	16%	1,000	4.6%
1 Person Female	3,540	20%	4,806	21%	1,266	4.5%
Married Couple	9,238	52%	11,933	51%	2,695	3.7%
Total	**17,761**	**100%**	**23,214**	**100%**	**5,453**	**3.9%**
Singles & Couples (with Children)						
Family - Male	981	7%	1,261	7%	280	3.7%
Family - Female	2,252	16%	2,783	16%	531	3.1%
Married Couple	8,898	65%	11,874	68%	2,976	4.2%
Total	**13,650**	**100%**	**17,467**	**100%**	**3,817**	**3.6%**
Total Households	**31,411**	**14%**	**40,681**	**16%**	**9,270**	**3.8%**

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-ClaritasDemog.xls]HH Type Summary

Table 8 shows the change in distribution of head-of-householder by age. In Bernalillo County, those households headed by a person older than 60 years increased at 3.2

percent per year from 2000 to 2007, and those in the age range of 60 to 69 increased at a rate of 4.7 percent per year. Those under 35 increased only at 1.0 percent per year, indicating that Bernalillo County is composed largely of an older population. In Sandoval County, those over 60 increased at an average of 5.0 percent per year from 2000 to 2007, while those under 35 increased at 3.6 percent, below the County average of 3.8 percent.

Table 8
Age Distribution, 1990-2007
Rail Runner TOD Evaluation

	1990		2000		2007		1990 - 2000		2000-2007	
	#	%	#	%	#	%	#	Ann. %	#	Ann. %
Bernalillo County										
Age of House Holder										
15 to 24 years	12,339	7%	15,890	7%	17,076	7%	3,551	2.6%	1,186	1.0%
25 to 34 years	44,508	24%	39,385	18%	42,052	17%	-5,123	-1.2%	2,667	0.9%
35 to 44 years	44,641	24%	49,946	23%	48,064	19%	5,305	1.1%	-1,882	-0.5%
45 to 59 years	40,375	22%	62,143	28%	79,257	31%	21,768	4.4%	17,114	3.5%
60 to 69 years	22,446	12%	23,779	11%	32,847	13%	1,333	0.6%	9,068	4.7%
70 to 79 years	14,822	8%	19,408	9%	20,943	8%	4,586	2.7%	1,535	1.1%
80 years or older	6,451	3%	10,385	5%	12,995	5%	3,934	4.9%	2,610	3.3%
Total	**185,582**	**100%**	**220,936**	**100%**	**253,234**	**100%**	**35,354**	**1.8%**	**32,298**	**2.0%**
<35 years	56,847	31%	55,275	25%	59,128	23%	-1,572	-0.3%	3,853	1.0%
>60 Years	43,719	24%	53,572	24%	66,785	26%	9,853	2.1%	13,213	3.2%
Sandoval County										
Age of House Holder										
15 to 24 years	646	3%	977	3%	1,449	4%	331	4.2%	472	5.8%
25 to 34 years	5,186	25%	4,793	15%	5,924	15%	-393	-0.8%	1,131	3.1%
35 to 44 years	5,542	27%	8,250	26%	8,210	20%	2,708	4.1%	-40	-0.1%
45 to 59 years	4,267	20%	9,621	31%	14,192	35%	5,354	8.5%	4,571	5.7%
60 to 69 years	2,665	13%	3,496	11%	5,528	14%	831	2.8%	2,032	6.8%
70 to 79 years	1,844	9%	2,895	9%	3,397	8%	1,051	4.6%	502	2.3%
80 years or older	717	3%	1,379	4%	1,981	5%	662	6.8%	602	5.3%
Total	**20,867**	**100%**	**31,411**	**100%**	**40,681**	**100%**	**10,544**	**4.2%**	**9,270**	**3.8%**
<35 years	5,832	28%	5,770	18%	7,373	18%	-62	-0.1%	1,603	3.6%
>60 Years	5,226	25%	7,770	25%	10,906	27%	2,544	4.0%	3,136	5.0%

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-ClaritasDemog.xls]Age Summary

HOUSING PREFERENCE BY AGE COHORT

Housing preferences vary with age and life stage. For example, younger families tend to prefer single family detached housing; older families are often drawn to higher density housing, whether it is small lot single family homes, or single family attached or multi-family housing because of lower maintenance requirements and size. Higher density housing often costs less than low density housing, which is attractive to price-sensitive buyers of all ages.

One segment of the population that will predominately favor the higher density housing options over time and specifically in a transit-friendly environment, are those over 60. In the Albuquerque Area, the current portion of householders over 60 is 27 percent. By 2015, this segment is expected to make up 32 percent of the population, 36 percent by 2020, and 40 percent by 2025, as shown in **Table 9**. To quantify the impact of this shift in market preferences, the findings from a 1999 national survey on housing preferences conducted by the National Association of Home Builders were applied to the local market.

Table 9
Forecast of Distribution by Age of Head of Householder, 2010-2025
Rail Runner TOD Evaluation

	Growth Rate[1]	2010		2015		2020		2025	
		#	%	#	%	#	%	#	%
Age of Head of Householder									
15 to 34 years	1.29%	74,002	22%	78,898	21%	84,117	21%	89,682	20%
35 to 44 years	-0.46%	60,288	18%	58,925	16%	57,593	14%	56,290	12%
45 to 59 years	1.30%	105,381	31%	112,417	31%	119,922	29%	127,929	28%
Over 60 years	4.33%	95,691	29%	118,264	32%	146,161	36%	180,639	40%
Total		**335,363**	**100%**	**368,503**	**100%**	**407,793**	**100%**	**454,540**	**100%**

[1] Note: The projected rate of increase for these segments of the population from 2007 to 2012.

Source: Claritas;Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-ClaritasDemog.xls]AgeDistHofHHForecast

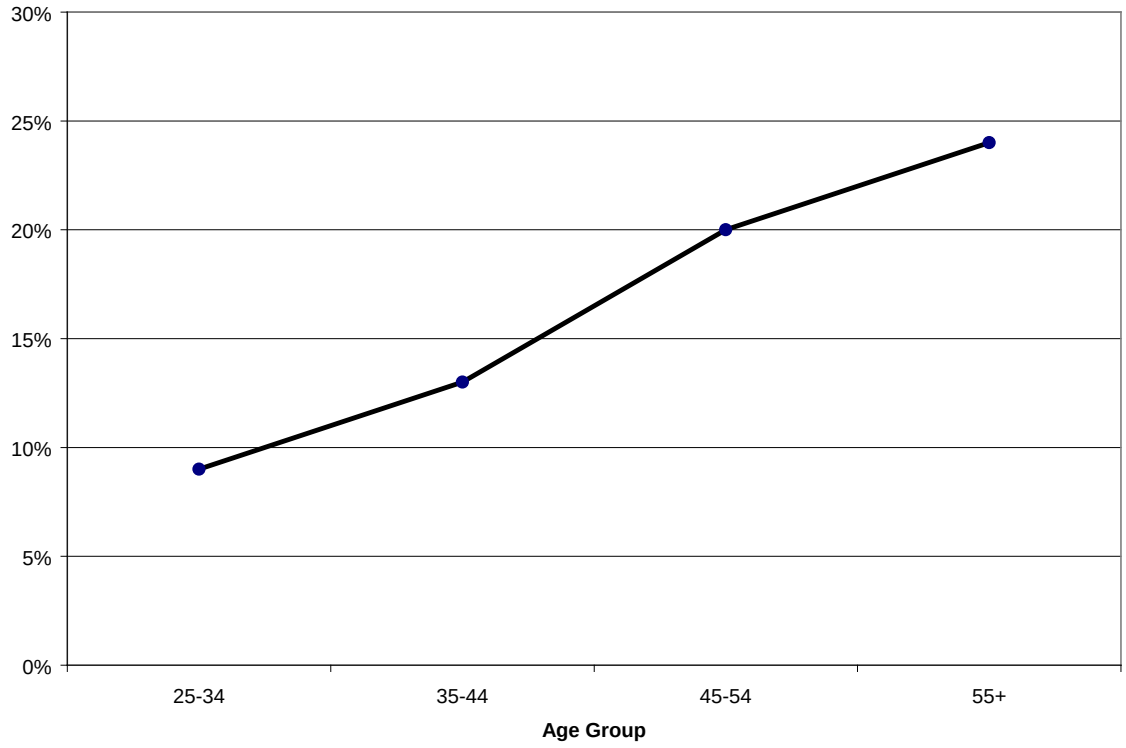
The National Association of Home Builders (NAHB) surveyed 1,180 households nationwide to assess how market demand is related to a wide range of issues. The sample size translates to a margin of error of 3 percent. The survey asked respondents to select an option under the following hypothetical situation:

> *"Your income is high enough to purchase a $150,000 home. You have two options: buying a $150,000 townhouse in an urban setting close to public transportation, work and shopping. Or, you could purchase a larger, detached single family home in a suburban area, with longer commutes to work."*

Across all respondents, 83 percent preferred the single family detached home in the suburbs; 17 percent preferred the "townhouse in the city." However, the responses varied widely with age, as shown in **Figure 7**. Younger households overwhelmingly chose the single family home in the suburban location, with only 9 percent choosing the

urban townhouse. As household age increased, so did the percent choosing the urban townhouse. Twenty percent of households in the 45 to 54 age group, and 24 percent in the 55 plus age group chose the urban townhouse. The growing number of older households and the corresponding increase in demand for attached product will increase overall regional demand for TOD.

Figure 7
Percentage Preferring Townhouse in the City
National Association of Home Builders, 1999



IV. STATION AREA MARKET CONDITIONS

This chapter addresses the general economic and demographic conditions surrounding each of the station areas. Building from the regional overview provided in the previous chapter, the information that follows provides concentrated analysis of the economic, demographic, and real estate market trends for the specific station areas.

ECONOMIC & DEMOGRAPHIC CONDITIONS

EMPLOYMENT

As shown in Chapter II, employment growth has gained strength in recent years, and as shown in the analysis of BLS data, a five-year moving average of employment growth is currently well over 5,000 new jobs per year. Similarly, analysis of MRCOG employment data for each of the counties supported the trend of approximately 5,000 new jobs per year between 2010 and 2025. Several DASZ areas surrounding the sites have been selected to represent each station area for the purpose of looking at the general projected conditions of employment.

Table 10 shows an approximation the number of jobs in the vicinity of each station and the projected rates of increase. The area around the Bernalillo stations is projected to increase by about 170 jobs per year from 2010 to 2025. The Los Lunas station area is projected to grow by approximately 50 jobs per year over the same time, and the area of the Rio Bravo station, whose extensive coverage of geography is determined largely by the data, is projected to see an annual increase of 170 jobs from 2010 to 2025.

Looking at the data more closely reveals a notable difference between the number and type of employees in the three areas. Rio Bravo and Bernalillo, for example, have a disproportionately high number of employees in the basic sectors. Los Lunas has a high percentage of employees in the service and retail sectors. By 2025, the percent of basic jobs is expected to drop in Bernalillo and Rio Bravo and remain the same in Los Lunas. Overall employment is expected to reach 7,200, 5,000, and 26,000 for Bernalillo, Los Lunas, and Rio Bravo areas, respectively. The greatest percentage increase is expected in Bernalillo, followed by Los Lunas, and then Rio Bravo.

Table 10
Employment Projections, 2010-2025
Rail Runner TOD Evaluation

Station	2005	2010	2015	2020	2025	2010-2025 Ann #	2010-2025 Ann %
Bernalillo Stations							
Basic	2,108	2,185	2,353	2,382	2,411	15	0.7%
Retail	511	530	771	828	884	24	3.5%
Service	1,761	1,931	3,097	3,493	3,888	130	4.8%
Total	**4,380**	**4,646**	**6,221**	**6,702**	**7,183**	**169**	**2.9%**
Los Lunas Station							
Basic	411	415	454	466	478	4	0.9%
Retail	695	753	1,006	1,059	1,111	24	2.6%
Service	2,928	2,845	2,991	3,096	3,200	24	0.8%
Total	**4,034**	**4,013**	**4,451**	**4,620**	**4,789**	**52**	**1.2%**
Rio Bravo Station							
Basic	12,942	13,115	13,154	13,132	13,110	0	0.0%
Retail	961	1,189	1,272	1,347	1,421	15	1.2%
Service	7,512	9,234	9,945	10,748	11,551	154	1.5%
Total	**21,415**	**23,538**	**24,371**	**25,227**	**26,082**	**170**	**0.7%**

Source: MRCOG; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-DAZ-E&D-Forecasts.xls]AllStationsEmp

POPULATION

Analysis of population forecast data for the station areas is determined by the same geography as was used to evaluate employment growth. The three station areas are expected to grow at annual rates that range from 0.2 percent to 1.6 percent per year through 2025. For the Bernalillo station areas, the forecasted growth calls for 120 to 200 households annually. The Los Lunas area is expected to grow by 50 to 125 households each year. The Rio Bravo station area has limited growth potential, based on the regional model that extrapolates future trends from past performance. However, as will be discussed in greater detail in the last chapter, the South Valley area is poised for redevelopment and future projections should be based on current market activity rather than historic trends.

Table 11
Population & Households Projections by Station Areas, 2010-2025
Rail Runner TOD Evaluation

Station	2010	2015	2020	2025	2005-2015 Ann #	2005-2015 Ann %	2015-2025 Ann #	2015-2025 Ann %
Bernalillo Stations								
Population	13,023	16,759	18,232	19,705	551	4.1%	295	1.6%
Households	4,554	5,892	6,497	7,101	199	4.2%	121	1.9%
Population % of Sandoval County	10.3%	11.6%	11.2%	10.9%				
Avg HH Size	2.86	2.84	2.81	2.77				
Los Lunas Station								
Population	14,517	16,034	16,518	17,001	300	2.1%	97	0.6%
Households	5,230	5,850	6,085	6,319	125	2.4%	47	0.8%
Population % of Valencia County	16.7%	16.5%	15.3%	14.3%				
Avg HH Size	2.78	2.74	2.71	2.69				
Rio Bravo Station								
Population	9,819	10,134	10,231	10,328	43	0.4%	19	0.2%
Households	3,133	3,285	3,343	3,401	27	0.9%	12	0.3%
Population % of Bernalillo County	1.6%	1.5%	1.5%	1.4%				
Avg HH Size	3.13	3.08	3.06	3.04				

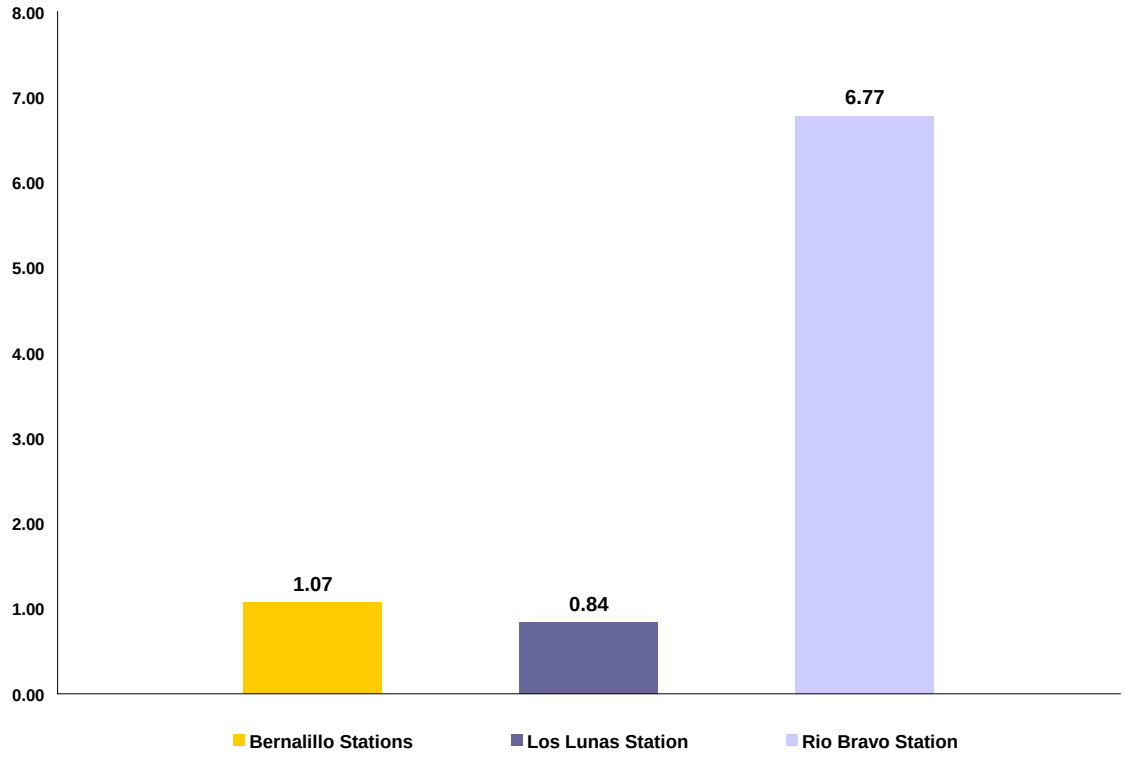
Source: MRCOG; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-DAZ-E&D-Forecasts.xls]AllStationsPop

JOBS-TO-HOUSING RATIO

The ratio of jobs to housing in Bernalillo County is well above one job per household, as shown in **Figure 8**; however, the ratio of jobs to housing around the Rio Bravo station in Bernalillo County is the highest at 6.77. The ratio around the Bernalillo station is around one job per household, and around Los Lunas is still much lower at 0.8 jobs per household.

Figure 8
Employment to Housing
Rail Runner TOD Evaluation



REAL ESTATE MARKET CONDITIONS

Measuring the performance of real estate activity around each of the station areas provides a basis to forecast future conditions. In the section that follows, sales volumes and home prices are quantified. The information is useful as it compares existing and newly constructed homes in each of the areas and provides a test for reasonableness for future housing to be constructed in the station areas.

There are two sets of information used in the evaluation, including:

- **Resales** - Data from the Southwest Multiple Listing Service are used to analyze the trends in resale of existing homes around the three station areas as well as the overall Albuquerque Area.

- **New Construction** - Information from DataTraq provides a record of sales prices for new homes in new developments. There is no indication of absorption, but the number of subdivisions are shown to document the breadth of the data.

AVERAGE SALES PRICES – EXISTING HOMES

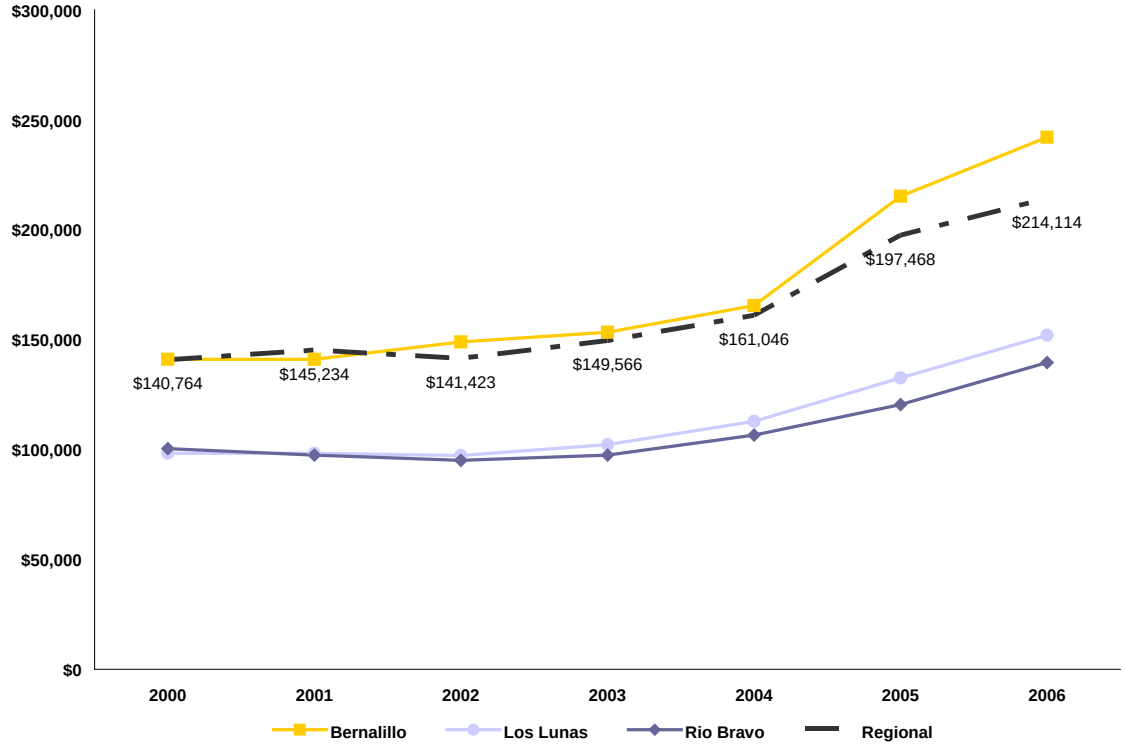
Data on average sales prices come from the Southwest Multiple Listing Service and are representative of more than 43,000 listings in the last 10 years. The boundaries for each station area are defined as a composite of geographic sections in the MLS data[4].

Average sales prices in the areas around these communities have generally continued upward, despite the slight hesitation and small decrease in the two years following 2001. **Figure 9** illustrates the differences between the communities surrounding each of the station areas. In particular the data show the similarity between the markets of Los Lunas and Rio Bravo as well as the counterpoint between sales prices in the Albuquerque Area and Bernalillo.

In 2000, both Los Lunas and Rio Bravo averaged around $100,000 per sale and generally increased at the same rate up to 2006, when they average between $140,000 and $150,000. Bernalillo average prices began at virtually the same point as the area in 2000, but surpassed the regional average in 2002 and maintained that position up to 2006 when its average sales price was almost $30,000 more than the regional average of $214,114.

[4] Maps for the relevant MLS regions can be found in the Appendix

Figure 9
Average MLS Sales Prices, 2000-2006
Rail Runner TOD Evaluation



AVERAGE NEW CONSTRUCTION SALES PRICES – NEW CONSTRUCTION

Data for average prices for new construction come from SalesTraq and are representative of approximately 70,000 records of new housing product pricing, the builders, name of the model, and various other important statistics. The geographies used to define location of each of these records are the same as municipal boundaries.

Prices have generally continued upward, despite the slight market decrease in the two years following 2001. **Figure 10** illustrates the general differences between the markets surrounding each of the station areas, and in particular shows the fluctuation in new product pricing experienced by Los Lunas and Bernalillo. The southwest area, because of the breadth of its coverage, reflects the annual average incremental changes of the area albeit on a smaller scale.

Figure 10
Average New Construction Prices, 2001-2006
Rail Runner TOD Evaluation

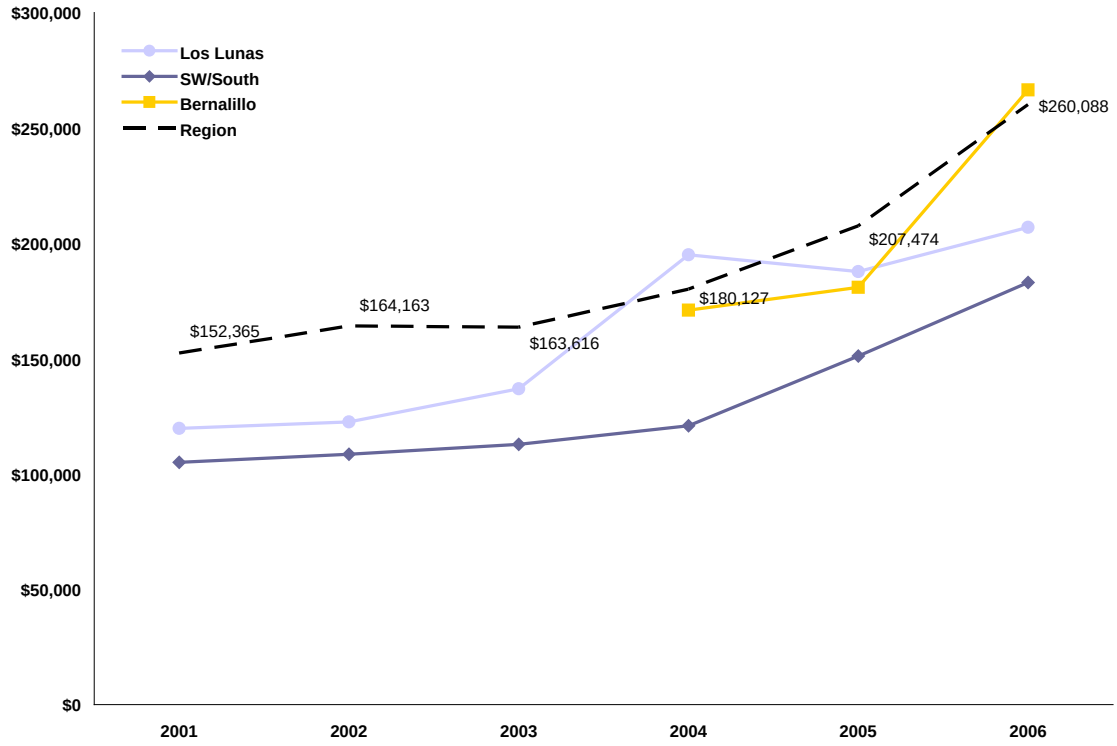


Table 12 shows the average prices for new housing products, the rate of increase over the previous year and the number of subdivisions that contained the new housing for that year. The effect of 9/ 11 is not as prevalent in new construction pricing as it was in the MLS dataset, but nevertheless is seen as a delayed effect at the regional level in 2003. Prices on housing products built along the Bosque in Bernalillo have been excluded from the analysis so not to skew the findings for that station area.

In general, regional prices increased 11.3 percent annually from 2001 to 2006. Averages in Los Lunas, Rio Bravo and the Southwest increased at similarly high rates. Bernalillo, on the other hand, caused in great part by the sheer increase in residential construction activity in Bernalillo, saw a 24.8 percent annual increase in pricing from 2004 to 2006. Indeed, the primary cause was the 47.3 percent increase in average price from 2005 to 2006.

In 2001, both Los Lunas and Rio Bravo averaged around $105,000 to $120,000, but diverged from each other in 2004 when Los Lunas, though represented by just one subdivision, jumped considerably higher to almost $200,000. Interestingly, the four new subdivisions that entered the fray in 2005 seem to have ushered in a market correction, bringing down the average price by more than $7,000.

Table 12
Average New Construction Prices, 2001-2005
Rail Runner TOD Evaluation

	2001	2002	2003	2004	2005	2006	2001(2004)-2006 Ann $	2001(2004)-2006 Ann %
Los Lunas								
Average Sales Price	**$119,697**	**$122,501**	**$136,919**	**$194,993**	**$187,740**	**$206,920**	**$17,445**	**11.6%**
% Increase over previous year	---	2.3%	11.8%	42.4%	-3.7%	10.2%		
Number of Subdivisions	12	8	3	1	5	8		
South Valley/Southwest								
Average Sales Price	**$105,024**	**$108,516**	**$112,826**	**$120,840**	**$151,079**	**$183,021**	**$15,599**	**11.7%**
% Increase over previous year	---	3.3%	4.0%	7.1%	25.0%	21.1%		
Number of Subdivisions	20	25	23	28	23	0		
Bernalillo								
Average Sales Price	**---**	**---**	**---**	**$171,010**	**$180,889**	**$266,466**	**$47,728**	**24.8%**
% Increase over previous year	---	---	---	---	5.8%	47.3%		
Number of Subdivisions	---	---	---	1	2	6		
Albuquerque Region	**$152,365**	**$164,163**	**$163,616**	**$180,127**	**$207,474**	**$260,088**	**$21,545**	**11.3%**
% Increase	---	7.7%	-0.3%	10.1%	15.2%	25.4%		

Source: SalesTraq; Economic & Planning Systems

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V. MARKET POTENTIALS AND DEMAND PROJECTIONS

This chapter is crux of the study as it identifies critical trends and estimates development potentials. For each station area, the analysis describes opportunities and constraints related to TOD projects and provides an overview of current residential and retail development activity. The second part provides several methodologies to forecast and quantify residential and retail demand.

Methodologies[5] – The first two methodologies, identified as "Age-Basis" and "Household Type," are rooted in the findings of TOD literature and forecast that people under the age of 35 and over 60 and households with no children are the likeliest to move to a transit zone, defined as a ½ mile radius from a station[6]. Based on the national research, station areas in an expanding transit system such as the New Mexico Rail Runner are projected to increase the size of these cohorts by 10 percent. Using detailed census-based estimates of household data for each of the areas and spreading the increased proportion of 10 percent growth to the transit zone over a period of 10 years, the two models estimate the demand for additional housing units per year over the relevant time period.

The third forecast uses a residential market area around a station area within which the population perceives it to be a viable option for living. Using MRCOG forecasted household growth, the model quantifies the number of new households likely to move to a station area. The fourth model summarizes residential building permit data and estimates capture rates of local permit activity within the station areas. It estimates the number of housing units the market can support assuming that it will capture a small percentage of the historical average.

Rental Demand - The Apartment Association of New Mexico (AANM) collects data on the construction, rents, sizes, and vacancy of rental units in the Albuquerque Area by zip code. In general, looking at activity for each of the areas of the Rail Runner stations provides an understanding of the state of the rental market therein. A general inventory of single and multi-family units in the areas of each station is shown in **Table 13**, which uses the same geographies as the tables showing population, households, and employment for each station area.

---

[5] Three of these methodologies, as described, consider residential unit demand based on projected population growth and one uses residential permit activity as its basis. Alternatively, employment projections in this report, if used to project residential unit demand, would not produce results contrary to the present methodologies. An analysis of the change in ratio of jobs to housing using MRCOG data reveals constancy in the relationship between employment and population.

[6] This approach was briefly introduced in Chapter II while identifying the demographic and psychographic elements of the Albuquerque region.

Table 13
Inventory of Housing Units, 2005
Rail Runner TOD Evaluation

Station Area	2005 #	2005 %
Bernalillo		
Single-Family	3810	89%
Multi-Family	451	11%
Total	**4261**	**100%**
Los Lunas		
Single-Family	4493	90%
Multi-Family	478	10%
Total	**4971**	**100%**
Rio Bravo		
Single-Family	2855	87%
Multi-Family	414	13%
Total	**3269**	**100%**

Source: MRCOG; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-DAZ-E&D-Forecasts.xls]SFMF-Inventory

As shown in **Table 14**, peak years of rental unit construction, multi-family permits amount to an average of 14 percent of all permits or between 750 and 765 units, and in normal or off-peak years, amount to 8 percent of residential construction activity, between 365 and 410 units.

It is understood that the development community typically prefers to see a critical mass of households and activity in an area before considering multi-family construction. Given that a trend exists, in which every five years there is a large amount of multi-family construction activity, it follows that a sufficient critical mass is attained in increments of approximately five years. Since development in each station area will also follow the pattern of gaining a critical mass over time then it is reasonable that they should capture a percentage of the multi-family market during those peak periods.

For example, if 750 units represents 14 percent of the total units permitted in a given peak year, and all the station areas combined capture 25 percent of the activity for that year, then each station area would grow by approximately 63 rental units. Since the pattern assumes that five years later, additional critical mass will have developed to warrant more rental units. At the end of the analysis period, 2025, there will have been enough demand generated to warrant a total of approximately 190 rental units. Compared to growth estimates for ownership units, the projected rental demand will equate to approximately 30 percent of the inventory, consistent with regional ratios.

This basis of estimating the number of rental units in each of the station areas is merely a conservative base on which to build. Interviews with many in the development community indicate that there is interest already in this market for the station areas, particularly the Bernalillo area.

Table 14
Multi-Family Construction Activity, 1994-2006
Rail Runner TOD Evaluation

Data Source / Geography	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Average Peak Years [1]	Average Normal Years [2]
AANM															
Northeast	1,158	314	297	303	324	66	134	361	281	512	78	---	---	270	224
Northwest	665	1,480	486	1,233	40	313	78	131	420	40	379	---	---	354	95
Southeast	0	7	4	9	63	9	20	210	514	22	9	---	---	106	29
Southwest	0	0	226	56	4	2	0	160	0	146	0	---	---	35	17
Total	**1,823**	**1,801**	**1,013**	**1,601**	**431**	**390**	**232**	**862**	**1,215**	**720**	**466**	**0**	**0**	**765**	**365**
MRCOG															
Total	**---**	**---**	**---**	**1,603**	**367**	**393**	**210**	**790**	**1,220**	**720**	**462**	**465**	**250**	**752**	**410**
% of All Permits	---	---	---	31%	8%	8%	5%	14%	19%	11%	8%	8%	7%	14%	8%

[1] Note: Peak years are 1994-1997 and 2001-2002.

[1] Note: Normal years are not defined as peak.

Source: MRCOG; AANM; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-Permits-Clean.xls]AANM-MRCOG MF Reconcile

BERNALILLO MARKET POTENTIALS

The market study has estimated potential demand for TOD projects as a share of regional and community growth. Accordingly, the two stations in Bernalillo will share the emerging market demand for TOD product. Given the close proximity of the two stations, market demand for this product is not differentiated and the projections provided below reflect the potentials for both station areas.

The Bernalillo market provides many opportunities for development, but also has its constraints. Much residential and retail development has occurred in the area in the past few years and is evidence of a changing and expanding market. The nature and location of the Town situated between Santa Fe and Albuquerque as well as its history set the stage well for Bernalillo to grow.

FACTORS IMPACTING MARKET DEMAND

Market Readiness – Based on interviews with developers of condominiums and townhomes, most believe that Bernalillo is ripe for TOD in the near term. A prototype of three-story flats was given as an example by two developers. This finding is significant as it is shared by multiple developers who work independently from each other.

Multiple Markets – Bernalillo's location between Santa Fe and Albuquerque places it in an ideal spot to appeal to buyers from both markets. Whenever a developer can tap into multiple markets from a single location, overall project performance excels. Information from active Bernalillo developers indicates that most recent buyers are commuters, with many employed in Santa Fe and some employed in Los Alamos.

Historic Character and Authenticity – Bernalillo is recognized for its historic landmarks. As new developments provide walkable town centers, few will be able to compete with an authentic town center with truly historic structures. The convent ruins are of particular interest and, according to some, have potential for restoration and redevelopment.

Expanding Market Share – Prior to 2003, production builders did not work in Bernalillo. Several builders were approached about work on the Damiano site, and all declined until Wallen Builders took the opportunity. The entrance of Wallen Builders into Bernalillo was a major milestone for future residential development. Its three projects have been a success in terms of price point and rate of sales. The buyer profiles show that a broad range finds the local market attractive.

Neighboring Expenditure Potential – There are significant pockets of wealth to the east and west of Bernalillo. Traditionally, these households have not patronized downtown businesses. The right design of new mixed-use development will enable Bernalillo businesses to capture neighboring dollars that are currently spent elsewhere.

Parcel Size – Based on interviews with developers of higher density products, the minimum parcel size needed ranges from 1 to 2 acres. This factor is both an opportunity and a constraint for Bernalillo, as there are some large parcels that meet this

requirement. It appears that land assemblage will be necessary as the current ownership pattern results in many lots that are too small for redevelopment.

Connectivity – It is a given that the community will benefit from the new Rail Runner service. However, it remains to be seen if Bernalillo can leverage the asset to create benefit across a broad section of the community. Pedestrian and bicycle paths that connect a series of properties to the stations is one way to leverage the benefit. Traditional TOD literature places the emphasis on properties within a ¼- to ½-mile of the station; however, recent findings suggest that pedestrian tolerance for distance is correlated directly to the quality of the experience. Thus, the number of parcels likely to be redeveloped is linked to the quality of the paths and lanes to be built.

Concentration of New Retail Development – Bernalillo is beginning to see significant amounts of new retail development, most of which is located along the 550 corridor. While this increases the number of retail shoppers in the Town, the challenge is to attract these shoppers off 550 into new TOD retail development. There is resistance to leaving 550, which must be overcome.

Limited Land Supply – Currently, there is consistent absorption of new homes. The market has come to recognize Bernalillo as a viable destination. However, because of a limited land supply, there are few sites for medium- to large-scale builders to further the current momentum.

Aesthetic Quality – Some redevelopment of specific sites is needed to raise the overall quality of the built environment. More developers will seek out local sites if there is a plan to address this.

RECENT DEVELOPMENT ACTIVITY

Given this backdrop of conditions, Bernalillo has seen a substantial amount of residential and retail development activity, most occurring in the recent past. This level of momentum shows overall market support for the community. While much of the development has occurred outside the Camino del Pueblo corridor, there is planned development along the corridor. Moreover, the overall market conditions are positive, which is a good indication for future TOD projects. A summary of activity is provided below to document the extent of recent development.

Bernalillo Marketplace

Development of this site began in December 2003 and opened around the end of the first quarter 2004. The project had 40,000 square feet of commercial space, built in two phases of equal size, each having its own anchor tenant. Anchors for the first phase include Movie Gallery and a DVD and video game rental store. The second phase is anchored by Walgreen's.

Mercado Del Rio

This commercial development, located a ¼-mile west of Camino del Pueblo, capitalizes on the traffic counts on 550 generated by Rio Rancho residents driving to I-25. The 8.5-acre site will have 66,000 square feet of retail space divided into four buildings, which include a 25,000 square foot grocer to anchor the site, a 10,000 square foot restaurant, and a dry cleaner. There will also be space remaining for about 10 to 15 smaller stores and a 7,500 square foot office building.

Santiago

This 168-acre residential development broke ground in April 2007, and will include 780 housing units when completed. The community will be divided into three villages: Allegria, a gated community with 375 single story units for the 'active-adult' demographic; Southwester, by Stillbrooke Homes will have 154 single family units built in Spanish and Cottage style and a new urbanism layout; the third village, with a variety of builders will have 250 units on 45-, 50- and 60-foot lots.

Flying Star

The northern most Flying Star in the area is planned on Camino del Pueblo just north of the El Zocalo renovation and south of Highway 550. The project will be the area's first mixed-use development with 20,000 square feet of retail and restaurant and 12 townhomes. The first phase of development is limited to three of the townhouses. Subsequent phases call for the construction of an additional nine townhouses.

Historic El Zocalo Building

The four historic El Zocalo buildings on Camino del Pueblo were purchased using a Federal grant in 2003 and are under renovation with City funds as well as a $1.7 million appropriation from the State. The plan is for an economic development center, small business development center, retail, and continuing-education classroom space.

The Cottonwoods

This residential development of approximately 80 units marked the entrance of Wallen Builders into the community in 2004. Most lots averaged 60 feet of frontage with base prices from $175,000 to $225,000. Sales were strong and the builder found that a predominance of buyers were commuters.

Bernalito

This was the second project by Wallen Builders in Bernalillo of about 140 units, which opened in 2005. The demographic in this community has been primarily defined as a "move-up" neighborhood for Bernalillo locals. The housing units initially sold in the $190,000s and went up the following years to the $220,000s.

The Vineyard

A small residential community built by Wallen Builders off of Camino del Pueblo with about 66 units. The product type is mostly 1 or 2 story single family detached with 3 to 4 bedrooms, 2 to 2 ½ baths and a 2-car garage. Prices are in the range of $240,000 to the upper $200,000s.

Zia Pueblo Site

This 19.5-acre parcel of land was recently purchased by the Zia Pueblo Development Authority. It sits across Camino del Pueblo from the El Zocalo buildings and the location of the future Flying Star. Representatives from the Zia Pueblo report that it is in the process of selecting a development program, which may take an extended period of time. The current concepts reflect a genuine interest in creating a space that will be appreciated for generations to come.

BERNALILLO DEMAND PROJECTIONS

Within the context of these opportunities, constraints, and current development activity, the following is a baseline estimation of residential and retail development potential for the Bernalillo stations.

RESIDENTIAL OVERVIEW

The residential market is also growing strongly in Bernalillo. Over the past five years, developers have introduced new projects that have increased production and expanded market volume. Bernalillo's strongest asset to the residential market is its location. Recent buyer profiles include residents who commute to a number of different employment centers including Albuquerque, Santa Fe, and Los Alamos. Given the land constraints facing these other markets, demand for Bernalillo product is expected to increase.

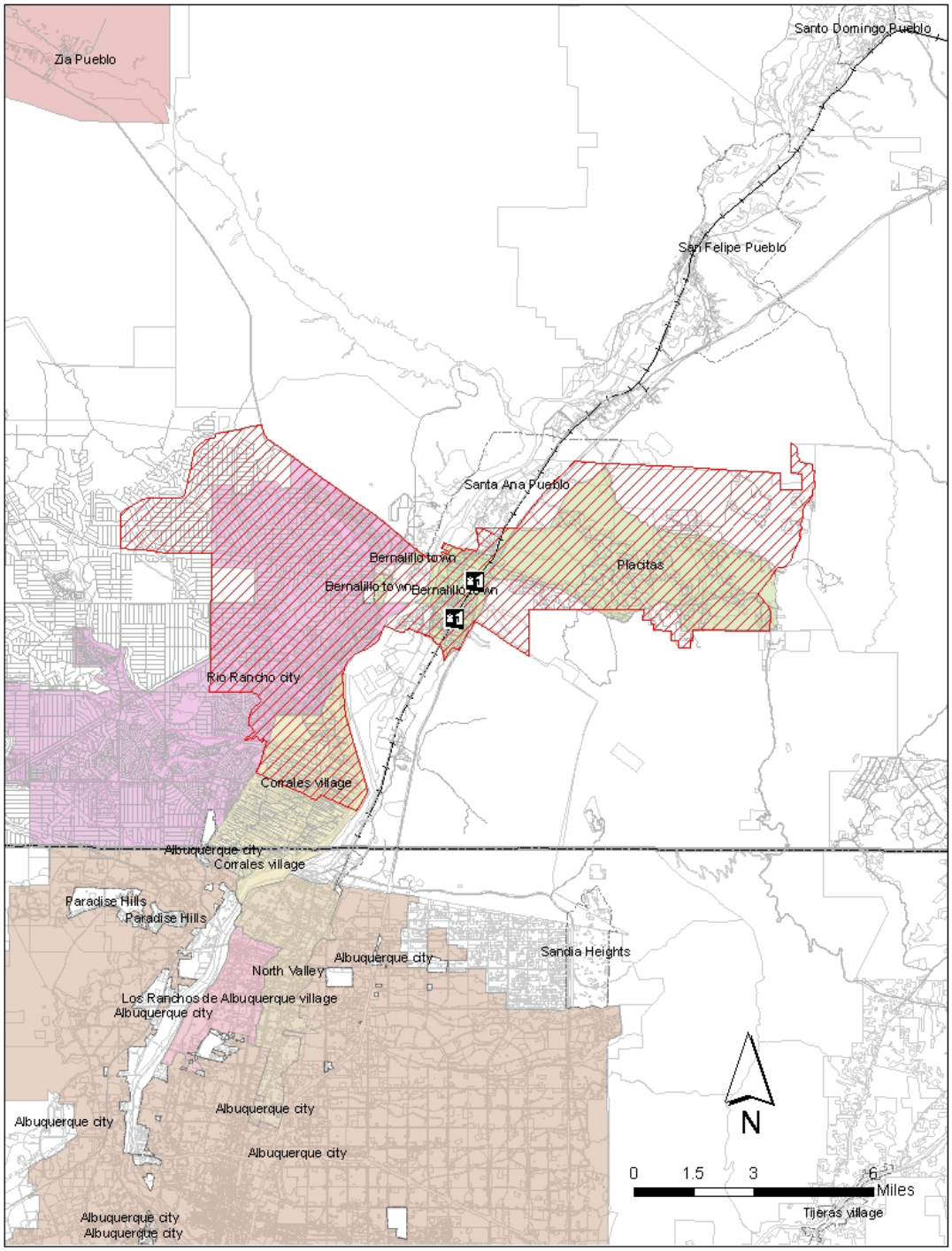
RENTAL HOUSING PROJECTION

The rental housing market can be viewed in terms of long-term, incremental support or in terms of the thresholds that apartment developers use to construct new projects. As shown in **Figure 3** previously, the regional apartment market shows a five-year cycle in which an average of data from 1997 and 2002 show 25 percent of permits issued were for multi-family products. Based on a reasonable share of these units being built at TOD sites regionally, and then a smaller share of those being built in Bernalillo, it is expected that the market could support approximately 70 units every five years or 250 units over the 18-year planning period. In addition to looking at historic production records, it is important to account for typical developer requirements. Most require a minimum number of units to achieve an economy of scale that increases viability, both in the construction and management of the properties. The industry standard calls for approximately 120 units per complex. Using this increment in light of the long-term incremental demand, there is market support for about two projects, or 240 units.

OWNERSHIP HOUSING PROJECTIONS

Residential demand forecasts are based on data from MRCOG population and household forecasts, traffic patterns, and proximity/ compatibility with competing and differing residential development activity. **Figure 11** illustrates an area (shown in red hatching) around the station extending approximately six miles to the east and west while limited to the extent of Bernalillo proper to the north and south. The catchment area is defined by populations that are likeliest to perceive Bernalillo as a place to live and influenced by its attractiveness and proximity to either of the stations.

Figure 11
Bernalillo Residential Catchment Area
Rail Runner TOD Evaluation



Capture Rate Methodology – This model for the Bernalillo Stations corridor is based on a conservative capture of population growth in this area. **Table 15** shows the projected

change in households over the forecast period from 2010 to 2025. The capture rate of residential growth at a conservative 5 percent was selected for several reasons. First, that it accurately estimates the number of housing units along the corridor for 2005 at about 610. Second, the proximity of this area to other competing developments means that future residents will be choosing between what could be higher density TOD and single family developments with lower density and larger amounts of open space or views. Given what is known about the Bernalillo market, the estimated 27-unit increase per year over the next 15 years is well within the capabilities of the market to absorb.

Table 15
Residential Unit Forecast, Capture Rate Methodology
Rail Runner TOD Evaluation

	Factor	2005	2010	2015	2020	2025	2010-2025 Change	2010-2025 Ann. #
Bernalillo Stations [1]								
Households		11,614	15,182	17,966	20,495	23,024	7,842	523
Capture	5%	581	759	898	1,025	1,151	392	26
Increase: Vacancy Factor	5%	29	38	45	51	58	20	1
Total Dwelling Units		**610**	**797**	**943**	**1,076**	**1,209**	**412**	**27**

[1] Note: Defined as the Catchment Area.

Source: MRCOG; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-MRCOGData.xls]Forecast

Age Cohort Methodology – This methodology uses the number of households sorted by age of the head of householder to project unit demand for TOD in an area of a ½-mile radius around the stations. As introduced in Chapter II under the demographic/ psychographic profile section, this methodology is rooted in the understanding that those heads of households under the age of 35 and over the age of 60 are likeliest to inhabit TOD housing. **Table 16** shows the number of households for the ½-mile radius around both Bernalillo stations[7] beginning with 976 households in 2007 and growing to an estimated 1,170 households by 2025. This represents annual growth of 13 housing units per year for the ½-mile geography, or a total change over 15 years of 189 units.

[7] The full analysis may be found in the Appendix.

Table 16
Residential Unit Forecast, Age Cohort Methodology
Rail Runner TOD Evaluation

	Factor	2007 Base Year	2010 Year 3	2015 Year 8	2020 Year 13	2025 Year 18	2010-2025 Change	2010-2025 Ann. #
Bernalillo Stations								
Households		976	990	1,059	1,129	1,170	180	12
Increase: Vacancy Factor	5%	49	49	53	56	58	9	1
Total Dwelling Units		**1,025**	**1,039**	**1,112**	**1,185**	**1,228**	**189**	**13**

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]UnitForecast - Age

Household Type Methodology – This methodology uses the number of households sorted by whether the household has children or not. Again, as introduced in Chapter II under the demographic/ psychographic profile section, this methodology is based on the understanding that those households with no children are likeliest to inhabit TOD housing. Table 17 shows the number of households for the ½-mile radius around both Bernalillo stations[8] beginning with 975 households in 2007 and growing to an estimated 1,325 households by 2025. This represents annual growth of 23 housing units per year for the ½-mile geography, or a total change over 15 years of 352 units.

Table 17
Residential Unit Forecast, Household Type Methodology
Rail Runner TOD Evaluation

	Factor	2007 Base Year	2010 Year 3	2015 Year 8	2020 Year 13	2025 Year 18	2010-2025 Change	2010-2025 Ann. #
Bernalillo Stations								
Households		975	990	1,138	1,287	1,325	335	22
Increase: Vacancy Factor	5%	49	49	57	64	66	17	1
Total Dwelling Units		**1,024**	**1,039**	**1,195**	**1,351**	**1,391**	**352**	**23**

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]UnitForecast - HHComp

Each of these residential growth demand methodologies represents a baseline estimation of the potential growth that can be anticipated given the presence of the Rail Runner station.

Local Capture -- Based on Town of Bernalillo data and interviews with Town staff and local developers, the Town has seen additional units of 35 to 60 per year in the recent past. Although the Town's growth has increased recently, maintaining market momentum is tied to parcel availability. For this analysis, it is assumed that the station

[8] The full analysis may be found in the Appendix.

area master plan provides the direction that will enable the market to create developable parcels and that local capture for TOD projects within the two station areas could be 50 percent.

It is assumed in this analysis that these units would be constructed within the two station areas and be built at 7 to 12 units per acre for ownership and approximately 25 units per acre for rental housing. It is expected that these units be attached housing, very small-lot single family, or compound-style units.

Although a factor of 50 percent would be high in most markets, it appears reasonable in this context given the existing momentum, the interest in Bernalillo from regional developers, and limited options for land. Based on this analysis, the demand could approximate 30 units per year in the near term (using the high end of the range) and increase to 50 units in year 2025. Using the MRCOG growth projections, which show Bernalillo growing at a strong rate (nearly twice that of Los Lunas, for example), the permit activity is expected to increase as well as the TOD capture, resulting in a total of 802 units within the station areas.

RETAIL

The catchment area for retail development potential is geographically more constrained than the residential model. Only Placitas, River's Edge, Enchanted Hills, and a very small portion of Rio Rancho are included. It is important to consider the presence of high-value housing in this geography, because it represents a source of significant expenditure potential. **Table 18** shows values of new housing products constructed in the areas of Bernalillo and Placitas over the past seven years. From the $1.2 million and $1.5 million houses built in the Bosque at the beginning of the decade to the $735,000 houses built in Placitas several years later, these homes and households represent a market worth capturing.

The retail analysis is based on household income, which is generally correlated to housing price. The projections reflect a sensitivity that adjusts for household income by subarea to provide realistic estimates of expenditure potential. The aggregate figures recognize and account for the sizeable differences that occur in close proximity.

Table 18
Average New House Prices, Bernalillo & Placitas
Rail Runner TOD Evaluation

	2000	2001	2002	2003	2004	2005	2006	2007
Bernalillo								
Aldea	---	---	---	---	---	---	$254,627	$253,590
Alegria	---	---	---	---	---	---	$279,422	$279,691
Bernalito	---	---	---	---	---	$197,386	$222,047	$227,313
Bosque Encantado	$400,000	$400,000	---	---	---	---	---	---
	$745,000	$661,667	$675,000	---	---	---	---	---
	$1,200,000	$1,200,000	---	---	---	---	---	---
	$1,500,000	$1,500,000	---	---	---	---	---	---
Cottonwood Village	---	---	---	---	$171,010	$175,390	---	---
Estancias	---	---	---	---	---	---	$282,844	$285,264
	---	---	---	---	---	---	$297,538	$290,636
Vineyard	---	---	---	---	---	---	$285,641	$281,691
Average Sales Price	**$961,250**	**$820,952**	**$675,000**	**---**	**$171,010**	**$180,889**	**$266,466**	**$269,022**
Number of Subdivisions	4	4	1	0	1	2	6	6
Placitas								
Diamond Tail	---	---	---	$599,000	---	---	---	---
	---	---	---	$735,000	---	---	---	---
Placitas de la Montana	---	---	---	$434,000	---	---	---	---
	---	---	---	$399,000	---	---	---	---
Average Sales Price	**---**	**---**	**---**	**$587,000**	**---**	**---**	**---**	**---**
Number of Subdivisions	0	0	0	4	0	0	0	0
Albuquerque Region	**$149,601**	**$152,365**	**$164,163**	**$163,616**	**$180,127**	**$207,474**	**$260,088**	**$275,216**
% Increase	---	1.8%	7.7%	-0.3%	10.1%	15.2%	25.4%	5.8%

Source: SalesTraq; Economic & Planning Systems

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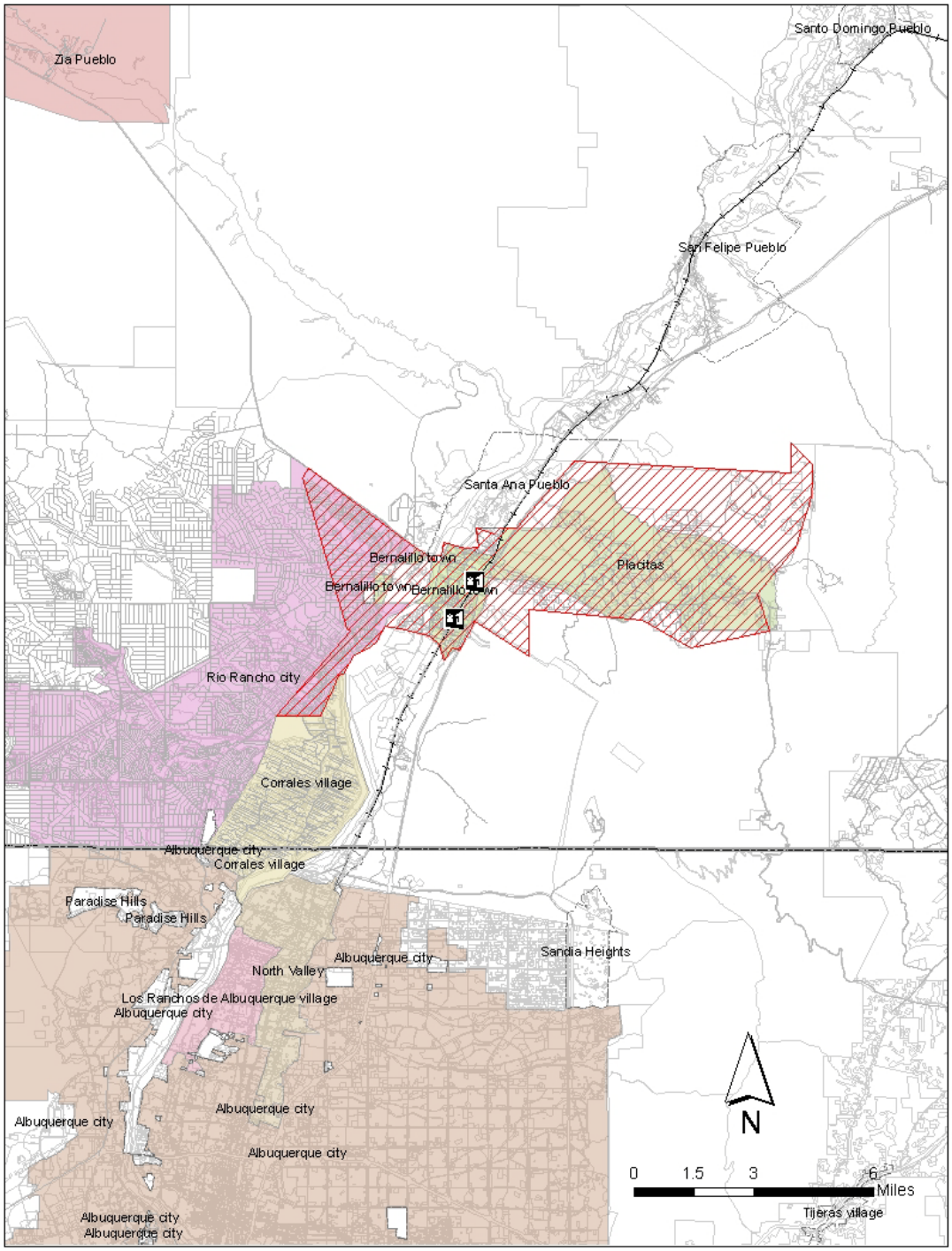
Figure 12
Bernalillo Retail Catchment Area
Rail Runner TOD Evaluation



The retail model[9] considers the substantial competing retail nodes in the trade area and assumes that the Bernalillo station areas will capture various fractions of this potential floor area for specific retail categories. Because there is a greater presence of large format retailers or will be soon, the model considers the potential development only for categories of Eating & Drinking establishments, Clothing & Accessories, and Miscellaneous Retail, such as specialty retail.

The Bernalillo station areas are expected to capture approximately half of the demand for Eating & Drinking establishments over the next 15 years. The other two categories will likely capture a quarter of the demand, given that there is already a greater presence of this type of establishment in existing and planned retail developments.

Based on the expenditure potential for the retail catchment area, **Table 19** shows 106,000 square feet of Eating & Drinking establishments are currently supportable in the Bernalillo station areas and an estimated 36,000 square feet of Clothing & Accessories and Miscellaneous Retail are supportable. Furthermore, because Bernalillo will likely develop into a destination for people in the catchment area as well as outside the area, demand based on inflow will account from approximately one-third to one-half of total supportable floor area. The inflow is estimated as an additional 50 to 100 percent of the supportable square footage determined from the catchment area.

Table 19
Retail Forecast, Bernalillo Stations Corridor
Rail Runner TOD Evaluation

Store Type	Bernalillo Stations Corridor Capture [1]	Inflow [2]	Supportable Square Feet 2005	2010	2015	2020	2025	2010-2025 Change	2010-2025 Ann. #
Shopper's Goods									
Clothing & Accessories	25%	50%	14,771	17,803	21,321	23,569	25,916	8,114	541
Miscellaneous Retail	25%	50%	21,248	25,609	30,670	33,903	37,280	11,671	778
Subtotal Shopper's Goods			**36,020**	**43,411**	**51,991**	**57,472**	**63,196**	**19,785**	**1,319**
Eating and Drinking	50%	50%	**106,492**	**128,345**	**153,712**	**169,915**	**186,839**	**58,494**	**3,900**
Total			**142,512**	**171,757**	**205,703**	**227,387**	**250,035**	**78,279**	**5,219**

[1] Note: Modeled as a percentage of the Bernalillo Catchment Area's supportable square-footage.

[2] Note: Predicated on the notion that these retail categories will attract a given percentage of business from outside the Catchment Area

Source: 2002 Census of Retail Trade (NM); Claritas; MRCOG; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-CensusOfRetailTrade.xls]Camino del Pueblo SF

[9] A Total Personal Income (TPI) model is used, which uses census of Retail Trade expenditures (to calculate expenditures as a percentage of TPI in various retail establishment categories, the average household income and number of households in a given trade area). The final calculation converts expenditure potential for a given category into supportable square feet for that category given industry standards for sales per square foot. All relevant tables can be found in the Appendix.

LOS LUNAS MARKET POTENTIALS

The Los Lunas market has many opportunities for development, but also has its constraints. Much retail development has occurred in the area in the past few years, especially at the intersection of I-25 and Highway 6, which is evidence of an expanding market. Its location seems of paramount importance in considering development potentials, as does the presence of more residential and retail developers.

FACTORS IMPACTING MARKET DEMAND

Expanding Market Conditions – One of the most evident features of the Los Lunas market is its accelerated expansion over the past three years. In conjunction with local residents, Albuquerque commuters have found it to be a good investment and have increased demand to new levels. Unlike the larger Albuquerque Area, the City of Los Lunas has not seen a contraction in permits and even year-to-date 2007 data show an increase over 2006 numbers. Retail development has responded to the growth in rooftops, and substantial amounts of retail floor area have been constructed. A submarket with high growth is generally conducive for niche projects, such as TOD.

Land Supply – Los Lunas offers parcels of significant size under single ownership within the station area. Some have not been developed. Others are developed with very low intensive uses, such as low density single family homes or mobile homes. The challenges associated with land aggregation may be less of an issue.

Entitlement Process – Developers familiar with the processes in different communities in the area report that Los Lunas has established a reputation for efficient entitlements. This translates to higher rates of return for developers and they will factor this into decisions regarding TOD projects.

Inadequate Infrastructure – Infrastructure and traffic problems must be addressed to facilitate development. Groundwork and interviews with many in the development and building community indicate that problems with traffic are paramount in Los Lunas around the intersection of Highway 6 and Highway 314.

Market Capture East of I-25 – The market is booming adjacent to the I-25 corridor with conventional commercial and residential development. One of the most significant challenges to the station area development is to capture some of this activity and draw it east of I-25 and south along 314.

Traffic Counts – Although there is traffic congestion problems in the community, there is a current lack of traffic volumes adjacent to the station. Retailers need higher traffic counts to support their stores. The presence of additional rooftops would build a stronger case for a larger retail presence. Attracting an anchor is key.

Daytime Population Dilemma – The low daytime population of Los Lunas is a restraint to the existence of more retail in the area of the station. There are modest contingents of commuters in the morning and evening, but unlikely to support more retail in itself.

Local Perception – There are a number of under-used and contiguous parcels, which if assembled, could be attractive sites for redevelopment. According to interviews, the community of Los Lunas seems neither opposed to higher density residential development nor certain that higher density development would work. Past attempts at townhouses have not absorbed so well, but were arguably not done at the "right" time. Moreover, it was stated by some that the residents would not oppose higher density development, such as townhouses, if it meant redevelopment of aging and blighted residential neighborhoods and remediation of roads.

Latent Demand – Demand for a market of higher density housing – smaller lots and units - exists in the demographics of those singles and couples with no children who are either older than 60 or younger than 35. According to those we interviewed, a large cohort of people that fall in the category of those over 60 live in unincorporated Valencia County. Many of those who will be looking for a smaller house in retirement do not want to leave the vicinity of Los Lunas and would be ideally matched for a higher density neighborhood such as what is possible around the Los Lunas station.

RECENT DEVELOPMENT ACTIVITY

Los Lunas has seen a considerable amount of both residential and retail development in the recent past. While much of the development has occurred outside the Highway 314 corridor, this level of momentum in the general area shows overall market support for development in the community. Moreover, the overall market conditions are positive, which is a good indication for future TOD projects. A summary of activity is provided below to document the extent of recent development.

Los Morros Business/ Industrial Park

In 1999, the 500-acre business park received its first tenant, the 850,000 square foot Wal-Mart Distribution Center, and with it several hundred employees. Following were Wal Comonoy, a metal coating company, and the Wal-Mart SuperCenter in 2003 on 23 acres. Currently, there is space available for development in Los Morros. A site, for example, at the northwest quadrant of I-25 and Highway 6 is planned for a 30,000 square foot strip center.

Sun Ranch Shops

Located just south of the Wal-Mart SuperCenter is the recently built Sun Ranch Shops, a collection of retailers and restaurateurs. The tenants include Carl's Jr., Coldstone Creamery, Game Stop, and Payless Shoes.

Sun Ranch Village

Sun Ranch Village was built on 45 acres of a 100-acre mixed-use development in the southwest quadrant of the intersection of I-25 and Highway 6. The remaining 55 acres is a 215-unit residential development. The Village is anchored by the Starlight Cinema; other retailers include Chili's Bar & Grill, Johnny Carino's, McDonald's, and Kentucky Fried Chicken.

Huning Ranch

Huning Ranch, adjacent to the Sun Ranch Village development, is a 2,200-acre residential development that is proposed to have about 6,000 units by completion.

Home Depot

At the northeast intersection of I-25 and Highway 6 and along the frontage road is an approximately 25-acre site with a 240,000 square foot Home Depot, Texaco, Wendy's, and AutoZone. Adjacent this parcel of land is a 25-acre parcel of land that is also planned for commercial development.

Cottonwood Plaza

In 2004, the Trujillo family began developing the Cottonwood Plaza, a 90,000 square foot business and shopping center near the traditional core of Los Lunas. The site occupies 10.5 acres on Main Street. One of the main tenants is a health care company that recently moved out of a site in Albuquerque International Sunport.

Rio Abajo

This is a residential development in the planning stages to occupy 400 acres with approximately 610 units. The development will be very low density located on Edeal Road.

Mobile Home Park

The area directly south and east of the station is currently the site of a mobile home park owned by a local agency. Plans are being made and finalized that will replace this use with a more traditional single family development of small lot homes designed as starter homes for first-time buyers. Though not completely finalized, the houses will range in size from 1,200 to 1,400 square feet and are tentatively priced at around $140,000.

Other Residential Projects

The Meyer's Group and Fuller Homes is planning a development close to Tome Vista and Manzerro Plaza of 220 units, and Beejer Homes is planning a development of 140 units also along the Manzano Expressway. Further to the south at the northeast corner of the intersection of Rio del Oro and Manzano Expressway is 800 acres held by Curb Inc., which it intends to develop in the near future. Developments in this unincorporated region of Valencia County are being served by a private utilities company, which seems to facilitate and expedites growth. Fortunately, these developments, though they amount to a considerable amount of competition to the Los Lunas station area, are sufficiently outside of the catchment area. Furthermore, the forecast model removes an appropriately large percentage of population growth to model the effects of these and other substantial residential projects.

DEMAND PROJECTIONS

RESIDENTIAL OVERVIEW

The market support for residential units in the Los Lunas station area ranges from 775 to 1,000 units through 2025, which reflects a capture rate of 9 to 12 percent of the projected Los Lunas development activity over this period. The market potential is comprised of rental units (195 to 240 units); attached higher density ownership product within a ¼-mile radius of the station (360 to 425 units); and detached lower density ownership product within a ½-mile radius of the station (220 to 330 units). Each component of the total demand is described in detail below. The key question for the community is to determine how much of this market to accommodate within the station area and then to take steps to enable the development community to provide units for each niche of product.

Residential demand forecasts are based on data from MRCOG including population and household forecasts. The forecasts have been adjusted to account for traffic patterns and compatibility with residential development activity, and are generally conservative estimates of the residential development potential.

RENTAL HOUSING PROJECTION

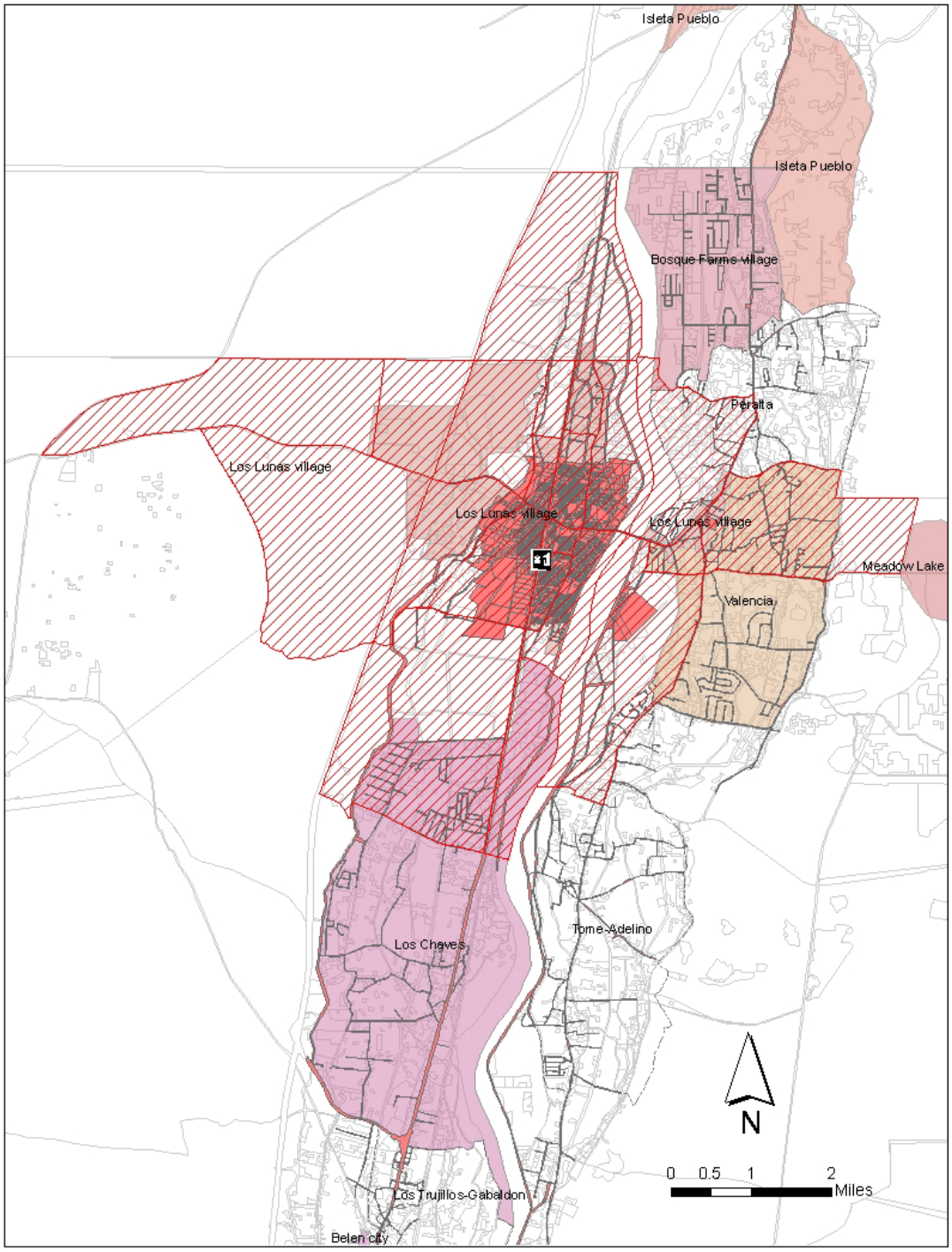
The rental housing market can be viewed in terms of long-term, incremental support or in terms of the thresholds that apartment developers use to construct new projects. As shown previously in **Figure 3**, the regional apartment market shows a five-year cycle in which an average of data from 1997 and 2002 show 25 percent of permits issued were for multi-family rental units. Assuming a reasonable capture of this cycle at TOD locations, and a smaller share of that figure to be constructed in a community like Los Lunas, it is expected that the market could support approximately 65 units every five years or about 195 units over the planning period. An alternative method is to view apartment development in terms of logistics. Developers typically require a minimum number of units to achieve an economy of scale that increases viability, both in the construction and management of the properties. The industry standard calls for approximately 120 units per complex. Using this increment in light of the long-term incremental demand, there is market support for about two projects, or 240 units.

OWNERSHIP HOUSING PROJECTION -- ATTACHED

Attached ownership product is new to the Los Lunas market and likely to capture a small portion of the overall demand. The capture is estimated to be 5 percent, given the predominance of conventional single family home development in this submarket. **Figure 13** illustrates an area around the station extending approximately five miles in each direction of the station that defines the residential catchment area. Because access from the east is restricted, the geographic extent of residential demand from the east is limited to just three TAZ shapes[10].

[10] Further justification for this limit is the presence of residential communities planned or being built along Highway 47 and Manzano Expressway, which will capture a portion, but not all, of the regional demand for single family housing.

Figure 13
Los Lunas Residential & Retail Catchment Area
Rail Runner TOD Evaluation



Capture Rate Methodology – **Table 20** shows that in 2005, the number of households in the catchment area numbered 7,331 and is forecasted to increase to 13,793 by the year 2025. Because of the station's proximity to so many competing residential projects, and especially those with single family product, a conservative capture rate of 5 percent best represents what portion of the growth this station area is likely to gain in traditional TOD products, such as attached townhomes. With development occurring in the vicinity of the station, it can maintain a 5 percent capture of the residential growth in this larger area, increasing an average of 17 units per year over the time period.

According to interviews with the development community and availability of land in the area, growth in the area is more likely to be on the order of 10 to 12 units per year. This would imply, for example, that in three years, a development of 30 townhouses would be viable.

Table 20
Residential Unit Forecast, Capture Rate Methodology
Rail Runner TOD Evaluation

	Factor	2005	2010	2015	2020	2025	2010-2025 Change	2010-2025 Ann. #
Los Lunas Station [1]								
Households		7,331	9,062	11,610	12,702	13,793	4,731	315
Capture	5%	367	453	581	635	690	237	16
Increase: Vacancy Factor	5%	18	23	29	32	34	12	1
Total Dwelling Units		**385**	**476**	**610**	**667**	**724**	**248**	**17**

[1] Note: Defined as the Catchment Area.

Source: MRCOG; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-MRCOGData.xls]Forecast

Age Cohort Methodology – This methodology uses the number of households sorted by age of the head of householder to project unit demand for TOD in an area of a ½-mile radius around the stations. As introduced in Chapter II under the demographic/ psychographic profile section, this methodology is rooted in the understanding that those heads of households under the age of 35 and over the age of 60 are likeliest to inhabit TOD housing. **Table 21** shows the number of households for the ½-mile radius around both Bernalillo stations[11] beginning with about 577 households in 2007 and growing to 836 households by 2025. This represents annual growth of 18 housing units per year for the ½-mile geography, or a total change over 15 years of 268 units.

[11] The full analysis may be found in the Appendix.

Table 21
Residential Unit Forecast, Age Cohort Methodology
Rail Runner TOD Evaluation

	Factor	2007 Base Year	2010 Year 3	2015 Year 8	2020 Year 13	2025 Year 18	2010-2025 Change	2010-2025 Ann. #
Los Lunas Station								
Households		577	580	690	800	836	255	17
Increase: Vacancy Factor	5%	29	29	34	40	42	13	1
Total Dwelling Units		**606**	**609**	**724**	**840**	**877**	**268**	**18**

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]UnitForecast - Age

Household Type Methodology – **Table 22** shows the number of households for the ½-mile radius around both Los Lunas station[12] beginning with about 714 households in 2007 and growing to 974 households by 2025. This represents annual growth of 17 housing units per year for the ½-mile geography, or a total change over 15 years of 260 units.

Table 22
Residential Unit Forecast, Household Type Methodology
Rail Runner TOD Evaluation

	Factor	2007 Base Year	2010 Year 3	2015 Year 8	2020 Year 13	2025 Year 18	2010-2025 Change	2010-2025 Ann. #
Los Lunas Station								
Households		714	726	834	943	974	248	17
Increase: Vacancy Factor	5%	36	36	42	47	49	12	1
Total Dwelling Units		**750**	**762**	**876**	**990**	**1,023**	**260**	**17**

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]UnitForecast - HHComp

Residential Permit Methodology – **Table 23** shows the number of residential and commercial building permits for the Village of Los Lunas[13], which ranged from 76 permits in 2003 to 490 in 2005. The average has been calculated from the strongest years, 2005 and 2006, because the activity year-to-date in 2007 is stronger than has ever been in the past. Based on such a calculation and based on a capture rate similar to that chosen in the Capture Rate Methodology, the number of permits supportable per year for the Highway 314 corridor is 23.

[12] The full analysis may be found in the Appendix.

[13] The full analysis may be found in the Appendix.

Table 23
Residential Unit Forecast, Residential Permit Methodology
Rail Runner TOD Evaluation

	2002	2003	2004	2005	2006	2007	2005-2006 [1] Avg #	Highway 314 Corridor Capture	Projected Permits
Residential									
Total	116	76	105	490	431	167	461	5%	**23**

[1] Note: 2005 and 2006 are representative years because activity in 2007 YTD is stronger than any year in the past.

Source: Village of Los Lunas; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-LLPermits-Clean.xls]Summary

In summary, based on the number of different approaches, the market is likely to support 360 to 425 units of attached ownership product. It reflects the range of annual production of 20 to 24, applied to an 18-year buildout period.

OWNERSHIP HOUSING PROJECTION – DETACHED

As stated previously, the Los Lunas market is predominately single family. Because of the unique resources within the Los Lunas station area, there is the potential to capture this buyer segment within the station area. There are three large tracts of land, all greater than 10 acres and are sufficiently large enough to attract a regional or national production builder. The surrounding single family land use provides a context for these parcels that suggest more single family development would be compatible. Assuming industry standard targets of two sales per month per product segment, and three to five segments depending on the number of builders involved, the parcels would absorb over three to five years. Based on a gross density of 5.5 dwelling units per acre, the 40 to 60 acres would add 220 to 330 detached units. Located within the ½-mile radius, the developments will generate ridership for the Rail Runner and patronage for the retail center, if attractive, direct pedestrian connections can be established.

Residential Summary

Each of these residential growth demand methodologies represents a baseline estimation of the potential growth that can be anticipated given the presence of the Rail Runner station and the improvements made to roads, infrastructure, and pedestrian walkability.

RETAIL

The catchment area for retail development potential is identical to that of the residential model. The model[14] assumes that a substantial portion of retail exists and that the

[14] A Total Personal Income (TPI) model is used, which uses census of Retail Trade expenditures (to calculate expenditures as a percentage of TPI in various retail establishment categories, the average household income and number of households in a given trade area). The final calculation converts

Highway 314 corridor will capture a portion equal to at least 10 percent of the total expenditure potential in certain categories. Those categories are Eating & Drinking, Clothing & Accessories, and Miscellaneous Retail, such as specialty retail.

Furthermore, because the Rail Runner station already attracts commuters from many miles around, and because this trend is likely to increase, it is reasonable to assume an additional capture of expenditure inflow, amounting to at least 15 percent of the estimated supportable square feet. **Table 24** shows the estimations of supportable square feet for each of the three retail categories.

Based on 2005 estimates of the number of households and average household income in the trade area, about 9,486 square feet of Eating & Drinking establishments is calculated to be supportable and about 6,417 square feet for Clothing & Accessories and Miscellaneous Retail.

Based on the assumptions for growth in number of households[15] and average household income[16], an additional 7,697 square feet of Eating & Drinking establishments and approximately 5,207 square feet of Shoppers Goods establishments would be supportable by 2025 from 2010.

Retail development in addition to the projected amounts from the model is highly probable for several reasons. If the Village of Los Lunas uses its leverage to have the current mobile home park immediately south of the station rezoned for a higher density, more appropriate to TOD, more retail would be warranted than the model projects. If various residential developments are made walkable and accessible to the station, an additional amount of retail might be warranted. If road and infrastructure improvements are made to the Highway 314 corridor and surrounding ¼- or ½-mile radius, then additional retail would be warranted through improved accessibility and attractiveness. Furthermore, because this retail model only considers three types of store categories, it is highly likely that existing businesses could see an expansion of current level operations or a greater presence of a particular store category. During the time it takes to build this critical mass, however, it may be necessary to underwrite local restaurateurs for a few years.

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expenditure potential for a given category into supportable square feet for that category given industry standards for sales per square foot. All relevant tables can be found in the Appendix.

15 Based on MRCOG household projections using TAZ data.

16 Based on a conservative 0.5 percent real income growth.

Table 24
Retail Forecast, Highway 314 Corridor
Rail Runner TOD Evaluation

Store Type	Highway 314 Corridor Capture [1]	Inflow [2]	Supportable Square Feet 2005	2010	2015	2020	2025	2010-2025 Change	Ann. #
Shopper's Goods									
Clothing & Accessories	10%	15%	2,631	3,335	4,381	4,913	5,470	2,135	142
Miscellaneous Retail	10%	15%	3,785	4,797	6,301	7,068	7,869	3,072	205
Subtotal Shopper's Goods			**6,417**	**8,132**	**10,682**	**11,981**	**13,339**	**5,207**	**347**
Eating and Drinking	10%	15%	**9,486**	**12,021**	**15,790**	**17,711**	**19,719**	**7,697**	**513**
Total			**15,902**	**20,154**	**26,472**	**29,692**	**33,058**	**12,904**	**860**

[1] Note: Modeled as a percentage of the Los Lunas Catchment Area's supportable square-footage.

[2] Note: Predicated on the notion that these retail categories will attract a given percentage of business from outside the Catchment Area.

Source: 2002 Census of Retail Trade (NM); Claritas; MRCOG; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-CensusOfRetailTrade.xls]Highway314 SF

RIO BRAVO MARKET POTENTIALS

FACTORS AFFECTING MARKET DEMAND

Environmental Concerns – Some of the sites have been contaminated by industrial uses, which up to now have been a major factor in discouraging development. The enactment of Voluntary Remediation Agreements (VRAs) mitigates risk for a developer, by transferring indemnity with the title. Under a VRA, the State bears the burden of clean-up of the site based on agreements negotiated by previous owners.

Land Availability – One of the most significant factors in the South Valley station area is the extent of vacant land available. Much of it is under a single ownership. Without demolition costs or aggregation challenges, development becomes more viable.

Changing Development Context – The South Valley subarea now has a southern anchor, Mesa del Sol, which provides high quality housing and employment. Because the Mesa del Sol development is located further south from the Rio Bravo station, this area will be no longer be perceived as the periphery of the community.

North Valley Example – Developers with a long-term local track record compare this setting to the North Valley/ Journal Center and suggest that a similar evolution is possible. Given the accessibility, land availability, and constraints elsewhere in the area, the development potential is considerable.

Active Developer Interest – In the past few months, developer interest has increased and parcels that have been on the market for an extensive period of time are under letters of intent. The proposed uses are broad. A site boarding the Bosque is planned for high-end residential homes, ranging from $500,000 to $2.0 million. Another site is planned for intensive mixed-use development that includes office, retail, and residential units. A third site has been acquired and is slated for hotel, office, and flex-space uses.

Employment – The South Valley is a regional employment center with approximately 21,400 jobs in the vicinity of the station area. While the impact of this employment on TOD potentials is difficult to gauge, it is important to recognize this major factor. A circulator bus system may increase Rail Runner ridership, if employees can conveniently reach their job location.

Industrial Land Uses – From environmental contamination to unsightly uses like the salvage yard, there are many sites within and surrounding the station area that will diminish market demand. As land values rise, the potential for redevelopment increases. However, there are current proposals to construct a warehouse and distribution facility within the station area. The challenge is to set a course of action for existing and planned uses that fosters TOD projects.

Strong Visibility and Traffic Counts – The adjacent roadways of Rio Bravo and Broadway carry major traffic levels. The proximity to I-25 helps generate drive-by traffic. The visibility of the site from these roads increases market support for commercial uses.

Accessibility – Creating a network of pedestrian routes and/ or roads to link development sites to the station will be difficult but important to leverage the benefits of transit.

RECENT DEVELOPMENT ACTIVITY

Rio Bravo and Interstate 25 - A 50-acre parcel of land on the southwest quadrant of the intersection of I-25 and Rio Bravo Boulevard sold in 2003. At the time, the purchase occurred in consideration of Mesa del Sol, which was taking shape as a master-planned community. Intentions for use of this site include retail and hotel. Similarly, 8.4 acres was purchased at the southeast corner of Rio Bravo and Broadway possibly in anticipation of momentum created by Mesa del Sol as well as the Rail Runner.

Northwest of Rio Bravo and 2nd Street - About one mile north of this intersection is 125 acres that is planned for high-end residential development. The site is located along the Bosque and is ideally situated to benefit from the great views of the Rio Grande.

Los Estancias – The 80-acre site is located approximately two miles west of the Rio Bravo station, adjacent to the existing Wal-Mart. The site is planned for regional retail for the southern regional market with approximately 520,000 square feet of retail and an estimated 20 to 25 single family residential units. The plans have not been approved by the County at this time.

Mesa del Sol - This 9,000-acre master-planned community is on the verge of opening up the southeast to residential and commercial growth. Development of primarily employment buildings including the high profile sound stages is well underway.

DEMAND PROJECTIONS

Projecting demand in the South Valley, specifically the station area at Rio Bravo and 2nd Street, is challenging as there is a very limited track record of residential or commercial development in the area. Based on the similar approaches used for other station areas in this study, the projected demand is very low for all uses. However, market conditions suggest that the Rio Bravo station is ripe and the timing is good for the introduction of a new set of users, for both commercial and residential product.

RESIDENTIAL

The context of this area is changing as commercial brokers report a new level of interest in it. Parcels abutting the Bosque that total 125 acres have been put under contract recently, and plans call for upper-end residential product, ranging from $500,000 to $2.0 million per unit. The units along the Bosque will be low-density, and the development will increase density as it moves east to 2nd Street, reaching 10 to 15 dwelling units per acre.

With the scale of development proposed and corresponding number of units, the vicinity around the Rio Bravo station area will achieve the critical mass necessary to attract interest from potential residents throughout the region. This project is expected to spark development on other sites and more residents will follow, knowing that a critical mass of other buyers have established a new node.

There are other factors that suggest residential owners and renters will move to this location. Convenient access to the Rail Runner stop will become an increasingly important factor for households looking to relocate, as congestion is expected to increase. New development opportunities will decrease over time in the northeast and northwest areas of town, shifting demand to the south. Mesa del Sol is located further to the south, and brokers have said that the fact that the South Valley will no longer be on the periphery of the region will increase demand for all product types. If the development in the area can offer new product that is priced competitively with the development Mesa del Sol, it can benefit from the momentum of buyers and renters that will looking to the south and compete effectively with other developments.

Based on these factors, the station area is expected to develop with new attached product at densities ranging from 10 to 15 units per acre. Based on parcel characteristics within the station area, there are 120 acres that lend themselves to residential development and translate to 1,200 to 1,800 units through 2025, or 70 to 100 units per year. A majority of the product is expected to be stacked flats, which can be rented or sold, depending on the market opportunity. A small percentage of the units should be townhome units, to broaden the spectrum of pricing and products.

COMMERCIAL EMPLOYMENT USES

When talking with brokers and developers about market potentials, many cited the North Valley as an example of an area that was formerly industrial and has undergone a

complete transformation into an employment center. While the challenges in the South Valley are greater, given the nature of former and current industrial uses, the comparison holds in terms of a long-term real estate opportunity.

To estimate demand for office and light industrial uses that would be compatible in a business park setting, total regional demand has been estimated as shown below in Table 25. Based on BLS data on employment, the Albuquerque Area will have 460,000 jobs in 2010, of which 11.5 percent are office-related and 7.0 percent are industrial based. The office uses reflect an aggregation of portions of Information, Financial, Insurance Real Estate, Professional and Technical Services, and Management sectors. The industrial category includes portions of Utilities, Manufacturing, Wholesale, Transportation, and Warehousing. Total floor area demand for these uses is based on factors of 350 square feet per employee for office and 750 square feet for industrial.

Table 25
Residential Unit Forecast, Capture Rate Methodology
Rail Runner TOD Evaluation

	Factor	2010	2015	2020	2025	2010-2025 Change (Net New Demand) Total	Ann. #
Albuquerque MSA							
Employment		458,983	487,825	515,106	541,889	82,906	5,527
Office [1]	11.5%	52,811	56,130	59,269	62,351	9,539	636
Industrial [2]	7.0%	32,179	34,202	36,114	37,992	5,813	388
Square-Footage							
Office [3]	350 sf / Emp	18,483,982	19,645,496	20,744,145	21,822,740	3,338,758	222,584
Industrial [3]	750 sf / Emp	24,134,581	25,651,172	27,085,682	28,494,005	4,359,424	290,628
South I - 25 Corridor Capture							
Square-Footage							
Office	10%	1,848,398	1,964,550	2,074,415	2,182,274	333,876	22,258
Industrial	20%	4,826,916	5,130,234	5,417,136	5,698,801	871,885	58,126
Traditional	50%	2,413,458	2,565,117	2,708,568	2,849,400	435,942	29,063
Light Industrial	50%	2,413,458	2,565,117	2,708,568	2,849,400	435,942	29,063
Conservative							
Office							
Rio Bravo	20%	369,680	392,910	414,883	436,455	66,775	4,452
Other	80%	14,787,186	15,716,397	16,595,316	17,458,192	2,671,006	178,067
Light Industrial							
Rio Bravo	20%	482,692	513,023	541,714	569,880	87,188	5,813
Other	80%	1,930,766	2,052,094	2,166,855	2,279,520	348,754	23,250
Optimistic							
Office							
Rio Bravo	50%	924,199	982,275	1,037,207	1,091,137	166,938	11,129
Other	50%	9,241,991	9,822,748	10,372,073	10,911,370	1,669,379	111,292
Light Industrial							
Rio Bravo	50%	1,206,729	1,282,559	1,354,284	1,424,700	217,971	14,531
Other	50%	1,206,729	1,282,559	1,354,284	1,424,700	217,971	14,531

[1] Note: Calculated as sum of BLS sectors: Information and half the employment of Financial, Insurance, Real Estate, Professional / Technical Services, Management & Other Services.

[2] Note: Calculated as sum of BLS sectors: half the employment in Utilities, Manufacturing, Wholesale, Transportation & Warehousing.

[3] Note: Based on industry standards.

Source: MRCOG; BLS; Economic & Planning Systems

H:\16881-MRCOG TOD\Data\[16881-13165-OffIndDemand.xls]Forecast

To address demand at the Rio Bravo station area, the study assumed that the south I-25 corridor would capture 10 percent of the office development and 20 percent of the industrial uses. Because the industrial uses that could be compatible within a TOD project are limited to Research and Development, Flex, and other types light industrial, the industrial projection has been cut by 50 percent.

Of the south I-25 development, it is estimated that the Rio Bravo vicinity has the potential to capture 20 to 50 percent of the total. The balance is expected to locate elsewhere along the corridor, such as Mesa del Sol. Given these assumptions, the market could support 66,800 to 167,000 square feet of office use space and 87,000 to 218,000 square feet of business park, light industrial, flex space.

RETAIL

The current retail market is limited, notwithstanding the high traffic volumes along Rio Bravo. Because the expenditure potential from households in the area is low, caused primarily by the low number of households, much of the market support will come from drive-by traffic and new residents. If the residential and employment-based development occurs consistent with the projections provided above, future conditions for retail improve. With a substantial day-time population provided from the new businesses augmented by the additional households in the area, a community-level retail center will be supportable. Future redevelopment of the South Valley will only increase the level of support. Based on the uses outlined above, a community retail center of 40,000 to 60,000 square feet is possible.

Market support can increase by expanding the trade area, which is possible if anchors can be drawn to the development that, by definition, pulls from a broader market area. A possible anchor for this site is a movie theater complex, given the current deficit in movie theaters south of downtown. An entertainment based commercial district provides an excellent opportunity to meet a current need and create a draw that brings in a much greater number of shoppers. The resulting retail center would likely include elements of a power center, lifestyle center, and entertainment district and be an example of the emerging “hybrid center” trend. The theater complex is expected to be 50,000 to 100,000 square feet and the total center could range from 200,000 to 400,000 square feet.

APPENDIX

TOTAL PERSONAL INCOME (TPI) – RETAIL ANALYSIS

Table A1 shows the percentages of TPI spent on various store types calculated from census of Retail Trade data on New Mexico.

Table A1
New Mexico Retail Expenditure as Percentage of Total Income
Rail Runner TOD Evaluation

Store Type	Pct. of TPI
Convenience Goods	
Food Stores	5.8%
Supermarkets	5.1%
Specialty Food Stores	0.1%
Convenience Stores	0.2%
Beer, Wine, & Liquor Stores	0.3%
Health and Personal Care	2.2%
Total Convenience Goods	**8.0%**
Shopper's Goods	
General Merchandise	9.6%
Department Stores	0.0%
Discount Department Stores	2.0%
Other general merchandise stores	0.0%
Clothing & Accessories	2.2%
Furniture & Home Furnishings	1.4%
Electronics & Appliances	1.1%
Sporting Goods, Hobby, Book, & Music Stores	1.1%
Miscellaneous Retail	2.3%
Total Shopper's Goods	**17.7%**
Eating and Drinking	**5.7%**
Building Material & Garden	
Building material & supplies dealers	3.3%
Home Centers	1.3%
Hardware, Paint and Wallpaper Stores	0.4%
Other Building Material Dealers	1.6%
Lawn & Garden Equipment	0.3%
Total Building Material & Garden	**3.6%**
Total Retail Goods	**35.1%**

Source: 2002 Census of Retail Trade; Economic & Planning Systems
H:\16881-MRCOG TOD\Models\[16881-CensusOfRetailTrade.xls]Stores

Table A2 calculates the aggregate income for the relevant geography by multiplying the average household income for the geography by the number of households. Using the percentages of expenditure potential calculated for New Mexico, estimates of current and future expenditure potentials by store category can be derived.

Table A2
Bernalillo Expenditure Potential
Rail Runner TOD Evaluation

Store Type		Residential Expenditure Potential 2005 ('000s)	2010 ('000s)	2015 ('000s)	2020 ('000s)	2025 ('000s)	Change 2010-2020 ('000s)	2010-2025 ('000s)
Bernalillo Retail Catchment Area Households		**9,309**	**10,943**	**12,783**	**13,783**	**14,782**	2,840	3,839
Average Household Income [1]	0.5%	$67,064	$68,757	$70,494	$72,274	$74,099	---	---
Total Personal Income		**$624,299**	**$752,413**	**$901,120**	**$996,112**	**$1,095,327**	**$243,700**	**$342,914**
Convenience Goods								
Food Stores								
Supermarkets	5.1%	$32,077	$38,659	$46,300	$51,181	$56,279	$12,521	$17,619
Specialty Food Stores	0.1%	$745	$898	$1,076	$1,189	$1,307	$291	$409
Convenience Stores	0.2%	$1,479	$1,783	$2,135	$2,361	$2,596	$578	$813
Beer, Wine, & Liquor Stores	0.3%	$1,876	$2,261	$2,708	$2,994	$3,292	$732	$1,031
Health and Personal Care	2.2%	$13,780	$16,607	$19,890	$21,986	$24,176	$5,379	$7,569
Total Convenience Goods	**8.0%**	**$49,957**	**$60,209**	**$72,109**	**$79,710**	**$87,650**	**$19,501**	**$27,441**
Shopper's Goods								
General Merchandise	9.6%	$60,007	$72,321	$86,615	$95,745	$105,281	$23,424	$32,960
Clothing & Accessories	2.2%	$13,787	$16,616	$19,900	$21,997	$24,188	$5,382	$7,573
Furniture & Home Furnishings	1.4%	$8,780	$10,582	$12,673	$14,009	$15,405	$3,427	$4,823
Electronics & Appliances	1.1%	$7,067	$8,517	$10,201	$11,276	$12,399	$2,759	$3,882
Sporting Goods, Hobby, Book, & Music Stores	1.1%	$6,869	$8,279	$9,915	$10,961	$12,052	$2,682	$3,773
Miscellaneous Retail	2.3%	$14,166	$17,073	$20,447	$22,602	$24,853	$5,530	$7,781
Total Shopper's Goods	**17.7%**	**$110,675**	**$133,387**	**$159,750**	**$176,590**	**$194,179**	**$43,203**	**$60,792**
Eating and Drinking	**5.7%**	**$35,497**	**$42,782**	**$51,237**	**$56,638**	**$62,280**	**$13,857**	**$19,498**
Building Material & Garden								
Building material & supplies dealers	3.3%	$20,784	$25,050	$30,000	$33,163	$36,466	$8,113	$11,416
Lawn & Garden Equipment	0.3%	$1,930	$2,326	$2,786	$3,080	$3,386	$753	$1,060
Total Building Material & Garden	**3.6%**	**$22,715**	**$27,376**	**$32,786**	**$36,243**	**$39,852**	**$8,867**	**$12,477**
Total Retail Goods	**35.1%**	**$218,845**	**$263,754**	**$315,883**	**$349,182**	**$383,961**	**$85,428**	**$120,207**

[1] Note: Calculated off of 2000 and 2007 median household incomes for the defined geography.

Source: 2002 Census of Retail Trade (NM); Claritas; MRCOG; Economic & Planning Systems

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Table A3 converts the estimates of expenditure potential to floor area by dividing by the industry standards for sales per square foot of store type.

Table A3
Bernalillo Supportable Square Footage
Rail Runner TOD Evaluation

Store Type	Factor	Supportable Square Feet 2005	2010	2015	2020	2025	2010-2020 Change	2010-2020 Ann. #	2010-2025 Change	2010-2025 Ann. #
Convenience Goods										
Food Stores										
Supermarkets	$400	80,192	96,648	115,750	127,952	140,696	31,304	3,130	44,048	2,937
Specialty Food Stores	$350	2,129	2,566	3,073	3,397	3,735	831	83	1,169	78
Convenience Stores	$300	4,932	5,944	7,118	7,869	8,652	1,925	193	2,709	181
Beer, Wine, & Liquor Stores	$250	7,505	9,045	10,833	11,975	13,167	2,930	293	4,122	275
Health and Personal Care	$250	55,119	66,430	79,559	87,945	96,705	21,516	2,152	30,275	2,018
Total Convenience Goods		**149,876**	**180,633**	**216,333**	**239,138**	**262,956**	**58,505**	**5,851**	**82,324**	**5,488**
Shopper's Goods										
General Merchandise	$275	218,207	262,985	314,962	348,164	382,842	85,179	8,518	119,856	7,990
Clothing & Accessories	$350	39,390	47,474	56,856	62,850	69,110	15,376	1,538	21,636	1,442
Furniture & Home Furnishings	$250	35,120	42,327	50,693	56,037	61,618	13,709	1,371	19,291	1,286
Electronics & Appliances	$250	28,268	34,069	40,802	45,103	49,596	11,035	1,103	15,527	1,035
Sporting Goods, Hobby, Book, & Music Stores	$300	22,898	27,597	33,052	36,536	40,175	8,939	894	12,578	839
Miscellaneous Retail	$250	56,663	68,290	81,787	90,409	99,414	22,119	2,212	31,124	2,075
Total Shopper's Goods		**400,545**	**482,742**	**578,152**	**639,098**	**702,754**	**156,356**	**15,636**	**220,011**	**14,667**
Eating and Drinking	$250	**141,989**	**171,127**	**204,949**	**226,553**	**249,119**	**55,426**	**5,543**	**77,992**	**5,199**
Building Material & Garden										
Building material & supplies dealers	$300	69,281	83,498	100,001	110,543	121,553	27,044	2,704	38,055	2,537
Lawn & Garden Equipment	$300	6,434	7,754	9,287	10,266	11,288	2,512	251	3,534	236
Total Building Material & Garden		**75,715**	**91,253**	**109,288**	**120,809**	**132,841**	**29,556**	**2,956**	**41,589**	**2,773**
Total Retail Goods		**768,126**	**925,755**	**1,108,722**	**1,225,598**	**1,347,670**	**299,844**	**29,984**	**421,916**	**28,128**

[1] Note: 2005 Per Capita Income comes from the American Community Survey available from the U.S. Census Bureau.

Source: 2002 Census of Retail Trade (NM); U.S.Census (ACS2005); Economic & Planning Systems

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Table A4 appeared in the main body of the report. This table estimates the floor area for a specific geography within the defined retail catchment area. The estimates are derived by multiplying the supportable square footage from the previous table by a percentage capture rate and adjusting up for a percentage inflow.

Table A4
Bernalillo Stations Corridor Capture
Rail Runner TOD Evaluation

Store Type	Bernalillo Stations Corridor Capture [1]	Inflow [2]	Supportable Square Feet 2005	2010	2015	2020	2025	2010-2025 Change	Ann. #
Shopper's Goods									
Clothing & Accessories	25%	50%	14,771	17,803	21,321	23,569	25,916	8,114	541
Miscellaneous Retail	25%	50%	21,248	25,609	30,670	33,903	37,280	11,671	778
Subtotal Shopper's Goods			**36,020**	**43,411**	**51,991**	**57,472**	**63,196**	**19,785**	**1,319**
Eating and Drinking	50%	50%	**106,492**	**128,345**	**153,712**	**169,915**	**186,839**	**58,494**	**3,900**
Total			**142,512**	**171,757**	**205,703**	**227,387**	**250,035**	**78,279**	**5,219**

[1] Note: Modeled as a percentage of the Bernalillo Catchment Area's supportable square-footage.

[2] Note: Predicated on the notion that these retail categories will attract a given percentage of business from outside the Catchment Area

Source: 2002 Census of Retail Trade (NM); Claritas; MRCOG; Economic & Planning Systems

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Table A5 calculates the aggregate income for the relevant geography by multiplying the average household income for the geography by the number of households. Using the percentages of expenditure potential calculated for New Mexico, estimates of current and future expenditure potentials by store category can be derived.

Table A5
Los Lunas Expenditure Potential
Rail Runner TOD Evaluation

Store Type		Residential Expenditure Potential 2005 ('000s)	2010 ('000s)	2015 ('000s)	2020 ('000s)	2025 ('000s)	Change 2010-2020 ('000s)	2010-2025 ('000s)
Los Lunas Households		**7,331**	**9,062**	**11,610**	**12,702**	**13,793**	3,640	4,731
Average Household Income [1]	0.5%	$49,470	$50,719	$51,999	$53,313	$54,659	---	---
Total Personal Income		**$362,662**	**$459,614**	**$603,714**	**$677,149**	**$753,908**	**$217,536**	**$294,295**
Convenience Goods								
Food Stores								
Supermarkets	5.1%	$18,634	$23,615	$31,019	$34,792	$38,736	$11,177	$15,121
Specialty Food Stores	0.1%	$433	$549	$721	$808	$900	$260	$351
Convenience Stores	0.2%	$859	$1,089	$1,431	$1,605	$1,787	$516	$697
Beer, Wine, & Liquor Stores	0.3%	$1,090	$1,381	$1,814	$2,035	$2,266	$654	$884
Health and Personal Care	2.2%	$8,005	$10,145	$13,325	$14,946	$16,640	$4,801	$6,496
Total Convenience Goods	**8.0%**	**$29,021**	**$36,779**	**$48,310**	**$54,186**	**$60,329**	**$17,408**	**$23,550**
Shopper's Goods								
General Merchandise	9.6%	$34,859	$44,177	$58,028	$65,087	$72,465	$20,909	$28,287
Clothing & Accessories	2.2%	$8,009	$10,150	$13,332	$14,954	$16,649	$4,804	$6,499
Furniture & Home Furnishings	1.4%	$5,100	$6,464	$8,491	$9,523	$10,603	$3,059	$4,139
Electronics & Appliances	1.1%	$4,105	$5,203	$6,834	$7,665	$8,534	$2,462	$3,331
Sporting Goods, Hobby, Book, & Music Stores	1.1%	$3,991	$5,057	$6,643	$7,451	$8,296	$2,394	$3,238
Miscellaneous Retail	2.3%	$8,229	$10,429	$13,699	$15,365	$17,107	$4,936	$6,678
Total Shopper's Goods	**17.7%**	**$64,293**	**$81,480**	**$107,026**	**$120,045**	**$133,653**	**$38,565**	**$52,172**
Eating and Drinking	**5.7%**	**$20,621**	**$26,133**	**$34,327**	**$38,502**	**$42,867**	**$12,369**	**$16,733**
Building Material & Garden								
Building material & supplies dealers	3.3%	$12,074	$15,302	$20,099	$22,544	$25,099	$7,242	$9,798
Lawn & Garden Equipment	0.3%	$1,121	$1,421	$1,867	$2,094	$2,331	$673	$910
Total Building Material & Garden	**3.6%**	**$13,195**	**$16,723**	**$21,966**	**$24,637**	**$27,430**	**$7,915**	**$10,708**
Total Retail Goods	**35.1%**	**$127,129**	**$161,115**	**$211,629**	**$237,371**	**$264,278**	**$76,256**	**$103,163**

[1] Note: Calculated off of 2000 and 2007 median household incomes for the defined geography.

Source: 2002 Census of Retail Trade (NM); Claritas; MRCOG; Economic & Planning Systems

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Table A6 converts the estimates of expenditure potential to floor area by dividing by the industry standards for sales per square foot of store type.

Table A6
Los Lunas Supportable Square Footage
Rail Runner TOD Evaluation

Store Type	Factor	Supportable Square Feet 2005	2010	2015	2020	2025	2010-2020 Change	2010-2020 Ann. #	2010-2025 Change	2010-2025 Ann. #
Convenience Goods										
Food Stores										
Supermarkets	$400	46,584	59,038	77,548	86,981	96,841	27,943	2,794	37,803	2,520
Specialty Food Stores	$350	1,237	1,567	2,059	2,309	2,571	742	74	1,004	67
Convenience Stores	$300	2,865	3,631	4,769	5,349	5,955	1,718	172	2,325	155
Beer, Wine, & Liquor Stores	$250	4,360	5,525	7,258	8,140	9,063	2,615	262	3,538	236
Health and Personal Care	$250	32,019	40,579	53,301	59,785	66,562	19,206	1,921	25,983	1,732
Total Convenience Goods		**87,065**	**110,340**	**144,934**	**162,564**	**180,992**	**52,224**	**5,222**	**70,652**	**4,710**
Shopper's Goods										
General Merchandise	$275	126,758	160,645	211,012	236,679	263,508	76,034	7,603	102,863	6,858
Clothing & Accessories	$350	22,882	28,999	38,091	42,725	47,568	13,725	1,373	18,569	1,238
Furniture & Home Furnishings	$250	20,402	25,856	33,962	38,093	42,411	12,238	1,224	16,556	1,104
Electronics & Appliances	$250	16,421	20,811	27,336	30,661	34,136	9,850	985	13,325	888
Sporting Goods, Hobby, Book, & Music Stores	$300	13,302	16,858	22,143	24,837	27,652	7,979	798	10,794	720
Miscellaneous Retail	$250	32,916	41,715	54,794	61,459	68,426	19,744	1,974	26,711	1,781
Total Shopper's Goods		**232,681**	**294,885**	**387,338**	**434,454**	**483,702**	**139,569**	**13,957**	**188,817**	**12,588**
Eating and Drinking	$250	**82,483**	**104,533**	**137,307**	**154,009**	**171,467**	**49,476**	**4,948**	**66,934**	**4,462**
Building Material & Garden										
Building material & supplies dealers	$300	40,246	51,005	66,997	75,146	83,664	24,141	2,414	32,659	2,177
Lawn & Garden Equipment	$300	3,738	4,737	6,222	6,979	7,770	2,242	224	3,033	202
Total Building Material & Garden		**43,984**	**55,742**	**73,219**	**82,125**	**91,434**	**26,383**	**2,638**	**35,692**	**2,379**
Total Retail Goods		**446,212**	**565,500**	**742,799**	**833,152**	**927,595**	**267,652**	**26,765**	**362,095**	**24,140**

[1] Note: 2005 Per Capita Income comes from the American Community Survey available from the U.S. Census Bureau.

Source: 2002 Census of Retail Trade (NM); U.S.Census (ACS2005); Economic & Planning Systems

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Table A7 appeared in the main body of the report. This table estimates the floor area for a specific geography within the defined retail catchment area. The estimates are derived by multiplying the supportable square footage from the previous table by a percentage capture rate and adjusting up for a percentage inflow.

Table A7
Highway 314 Capture
Rail Runner TOD Evaluation

Store Type	Highway 314 Corridor Capture [1]	Inflow [2]	Supportable Square Feet 2005	2010	2015	2020	2025	2010-2025 Change	Ann. #
Shopper's Goods									
Clothing & Accessories	10%	15%	2,631	3,335	4,381	4,913	5,470	2,135	142
Miscellaneous Retail	10%	15%	3,785	4,797	6,301	7,068	7,869	3,072	205
Subtotal Shopper's Goods			**6,417**	**8,132**	**10,682**	**11,981**	**13,339**	**5,207**	**347**
Eating and Drinking	10%	15%	**9,486**	**12,021**	**15,790**	**17,711**	**19,719**	**7,697**	**513**
Total			**15,902**	**20,154**	**26,472**	**29,692**	**33,058**	**12,904**	**860**

[1] Note: Modeled as a percentage of the Los Lunas Catchment Area's supportable square-footage.

[2] Note: Predicated on the notion that these retail categories will attract a given percentage of business from outside the Catchment Area.

Source: 2002 Census of Retail Trade (NM); Claritas; MRCOG; Economic & Planning Systems

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RESIDENTIAL FORECASTS

Age Base Methodology

Table A8 shows the trends in household growth by the components of age of head of householder. These provide the basis for projecting growth in each station area for this methodology.

Table A8
Regional Household Trends, Age of Head of Householder
Rail Runner TOD Evaluation

Characteristics	1990	2000	2007	2012	1990 - 2000 #	1990 - 2000 Ann. %	2000-2007 #	2000-2007 Ann. %	2007-2012 #	2007-2012 Ann. %
Bernalillo Stations [1]										
Households										
35 > Head of HHs > 60	434	464	499	538	30	0.7%	35	1.0%	39	1.5%
Other HHs [2]	407	501	477	462	94	2.1%	-24	-0.7%	-15	-0.6%
Total Households	**841**	**965**	**976**	**1,000**	**124**	**1.4%**	**11**	**0.2%**	**24**	**0.5%**
Los Lunas Station										
Households										
35 > Head of HHs > 60	233	315	304	338	82	3.1%	-11	-0.5%	34	2.1%
Other HHs [2]	188	390	409	396	202	7.6%	19	0.7%	-13	-0.6%
Total Households	**421**	**705**	**713**	**734**	**284**	**5.3%**	**8**	**0.2%**	**21**	**0.6%**
Rio Bravo Station										
Households										
35 > Head of HHs > 60	34	43	55	55	9	2.4%	12	3.6%	0	0.0%
Other HHs [2]	34	53	56	55	19	4.5%	3	0.8%	-1	-0.4%
Total Households	**68**	**96**	**111**	**110**	**28**	**3.5%**	**15**	**2.1%**	**-1**	**-0.2%**
Albuquerque Region										
Households										
35 > Head of HHs > 60	119,513	132,955	155,484	180,074	13,442	1.1%	22,529	2.3%	24,590	3.0%
Other HHs [2]	102,106	142,073	162,494	167,880	39,967	3.4%	20,421	1.9%	5,386	0.7%
Total Households	**221,619**	**275,028**	**317,978**	**347,954**	**53,409**	**2.2%**	**42,950**	**2.1%**	**29,976**	**1.8%**

[1] Note: Defined as the sum of data from Downtown Bernalillo and Highway 550 stations.

[2] Note: Defined as the sum of HHs headed by 35- to 59-year old.

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]Pop & HH Trends

Table A9 illustrates an essential point of this methodology. From the literature, a 10 percent increase in the existing proportion of that age category occurs between 2007 and 2020, after which the normal rate of growth resumes. Note the change in proportion from 2007 to 2020.

Table A9
Household Forecast by Age of Head of Householder
Rail Runner TOD Evaluation

	2007 Prop.	2020 Prop.	Given Growth Rate [1]	2007 Base Year	2010 Year 3	2015 Year 8	2020 Year 13	2025 Year 18	2010-2025 Ann. #	2010-2025 Ann. %
Bernalillo Stations										
Household Composition										
35 > Head of HHs > 60	51%	61%	1.52%	499	522	606	690	745	15	2.4%
Other HHs	49%	39%	-0.64%	477	468	453	439	425	-3	-0.6%
Total Households	**100%**	**100%**		**976**	**990**	**1,059**	**1,129**	**1,170**	**12**	**1.1%**
Los Lunas Station										
Household Composition										
Head of HHs < 35 years	43%	53%	2.14%	168	179	302	424	471	19	6.7%
Other HHs	57%	47%	-0.64%	409	401	388	376	364	-2	-0.6%
Total Households	**100%**	**100%**		**577**	**580**	**690**	**800**	**836**	**17**	**2.5%**
Rio Bravo Station										
Household Composition										
Head of HHs < 35 years	50%	60%	0.00%	25	25	53	80	80	4	8.1%
Other HHs	50%	40%	-0.36%	56	55	54	53	52	0	-0.4%
Total Households	**100%**	**100%**		**81**	**80**	**107**	**134**	**133**	**3**	**3.4%**

[1] Note: Population growth rates taken from 2007 to 2012 change in Claritas data.

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]HHForecast - Age

Each portion of **Table A10** dealing with individual station areas appears in the main body of the report. This shows the conversion of the households projected to a number of housing units.

Table A10
Unit Forecast
Rail Runner TOD Evaluation

	Factor	2007 Base Year	2010 Year 3	2015 Year 8	2020 Year 13	2025 Year 18	2010-2025 Change	2010-2025 Ann. #
Bernalillo Stations								
Households		976	990	1,059	1,129	1,170	180	12
Increase: Vacancy Factor	5%	49	49	53	56	58	9	1
Total Dwelling Units		**1,025**	**1,039**	**1,112**	**1,185**	**1,228**	**189**	**13**
Los Lunas Station								
Households		577	580	690	800	836	255	17
Increase: Vacancy Factor	5%	29	29	34	40	42	13	1
Total Dwelling Units		**606**	**609**	**724**	**840**	**877**	**268**	**18**
Rio Bravo Station								
Households		94	93	142	190	197	104	7
Increase: Vacancy Factor	5%	5	5	7	10	10	5	0
Total Dwelling Units		**99**	**98**	**149**	**200**	**207**	**109**	**7**

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]UnitForecast - Age

Household Type Methodology

Table A11 shows the trends in household growth by household type. These provide the basis for projecting growth in each station area for this methodology.

Table A11
Regional Household Trends, Household Type
Rail Runner TOD Evaluation

Characteristics	2000 #	2000 %	2007 #	2007 %	2012 #	2012 %	2000-2007 #	2000-2007 Ann. %	2007-2012 #	2007-2012 Ann. %
Bernalillo Stations [1]										
Singles & Couples (No Children)										
1 Person Male	89	9%	98	10%	106	11%	9	1.4%	8	1.6%
1 Person Female	109	11%	119	12%	128	13%	10	1.3%	9	1.5%
Married Couple (No Children)	238	25%	242	25%	248	25%	4	0.2%	6	0.5%
Family - Male (No Children)	34	4%	34	3%	34	3%	0	0.0%	0	0.0%
Family - Female (No Children)	62	6%	63	6%	64	6%	1	0.2%	1	0.3%
Total	**532**	**55%**	**556**	**57%**	**580**	**58%**	**24**	**0.6%**	**24**	**0.8%**
Singles & Couples (with Children)										
Family - Male (with Children)	35	4%	36	4%	37	4%	1	0.4%	1	0.5%
Family -Female (with Children)	108	11%	107	11%	110	11%	-1	-0.1%	3	0.6%
Married Couple (with Children)	236	25%	239	25%	244	24%	3	0.2%	5	0.4%
Non-Family - Male 2+ Persons	27	3%	20	2%	16	2%	-7	-4.2%	-4	-4.4%
Non-Family - Female 2+ Persons	25	3%	17	2%	13	1%	-8	-5.4%	-4	-5.2%
Total	**431**	**45%**	**419**	**43%**	**420**	**42%**	**-12**	**-0.4%**	**1**	**0.0%**
Total Households	**963**	**100%**	**975**	**100%**	**1,000**	**100%**	**12**	**0.2%**	**25**	**0.5%**
Los Lunas Station										
Singles & Couples (No Children)										
1 Person Male	63	9%	65	9%	69	9%	2	0.4%	4	1.2%
1 Person Female	78	11%	82	11%	86	12%	4	0.7%	4	1.0%
Married Couple (No Children)	155	22%	157	22%	162	22%	2	0.2%	5	0.6%
Family - Male (No Children)	14	2%	14	2%	14	2%	0	0.0%	0	0.0%
Family - Female (No Children)	45	6%	44	6%	45	6%	-1	-0.3%	1	0.5%
Total	**355**	**50%**	**362**	**51%**	**376**	**51%**	**7**	**0.3%**	**14**	**0.8%**
Singles & Couples (with Children)										
Family - Male (with Children)	40	6%	40	6%	42	6%	0	0.0%	2	1.0%
Family -Female (with Children)	77	11%	79	11%	81	11%	2	0.4%	2	0.5%
Married Couple (with Children)	204	29%	206	29%	211	29%	2	0.1%	5	0.5%
Non-Family - Male 2+ Persons	13	2%	12	2%	10	1%	-1	-1.1%	-2	-3.6%
Non-Family - Female 2+ Persons	17	2%	15	2%	14	2%	-2	-1.8%	-1	-1.4%
Total	**351**	**50%**	**352**	**49%**	**358**	**49%**	**1**	**0.0%**	**6**	**0.3%**
Total Households	**706**	**100%**	**714**	**100%**	**734**	**100%**	**8**	**0.2%**	**20**	**0.6%**
Rio Bravo Station										
Singles & Couples (No Children)										
1 Person Male	29	34%	30	32%	29	31%	1	0.5%	-1	-0.7%
1 Person Female	26	31%	31	33%	32	34%	5	2.5%	1	0.6%
Married Couple (No Children)	5	6%	6	6%	6	6%	1	2.6%	0	0.0%
Family - Male (No Children)	6	7%	7	7%	7	8%	1	2.2%	0	0.0%
Family - Female (No Children)	1	1%	1	1%	0	0%	0	0.0%	-1	-100.0%
Total	**67**	**79%**	**75**	**80%**	**74**	**80%**	**8**	**1.6%**	**-1**	**-0.3%**
Singles & Couples (with Children)										
Family - Male (with Children)	9	11%	10	11%	10	11%	1	1.5%	0	0.0%
Family -Female (with Children)	3	4%	2	2%	2	2%	-1	-5.6%	0	0.0%
Married Couple (with Children)	6	7%	7	7%	7	8%	1	2.2%	0	0.0%
Non-Family - Male 2+ Persons	0	0%	0	0%	0	0%	0	---	0	---
Non-Family - Female 2+ Persons	0	0%	0	0%	0	0%	0	---	0	---
Total	**18**	**21%**	**19**	**20%**	**19**	**20%**	**1**	**0.8%**	**0**	**0.0%**
Total Households	**85**	**100%**	**94**	**100%**	**93**	**100%**	**9**	**1.4%**	**-1**	**-0.2%**

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]HH Comp Trends

Table A12 illustrates an essential point of this methodology. From the literature, a 10 percent increase in the existing proportion of that age category occurs between 2007 and 2020, after which the normal rate of growth resumes. Note the change in proportion from 2007 to 2020.

Table A12
Household Forecast by Household Type
Rail Runner TOD Evaluation

	2007 Prop.	2020 Prop.	Given Growth Rate [1]	2007 Base Year	2010 Year 3	2015 Year 8	2020 Year 13	2025 Year 18	2010-2025 Ann. #	2010-2025 Ann. %
Bernalillo Stations										
Household Composition										
Singles & Couples (No Children)	57%	67%	0.85%	556	570	718	865	902	22	3.1%
Singles & Couples (with Children)	43%	33%	0.05%	419	420	421	422	423	0	0.0%
Total Households	**100%**	**100%**		**975**	**990**	**1,138**	**1,287**	**1,325**	**22**	**2.0%**
Los Lunas Station										
Household Composition										
Singles & Couples (No Children)	51%	61%	0.76%	362	370	473	575	600	15	3.3%
Singles & Couples (with Children)	49%	39%	0.34%	352	356	362	368	374	1	0.3%
Total Households	**100%**	**100%**		**714**	**726**	**834**	**943**	**974**	**17**	**2.0%**
Rio Bravo Station										
Household Composition										
Singles & Couples (No Children)	80%	90%	-0.27%	75	74	123	171	178	7	6.0%
Singles & Couples (with Children)	20%	10%	0.00%	19	19	19	19	19	0	0.0%
Total Households	**100%**	**100%**		**94**	**93**	**142**	**190**	**197**	**7**	**5.1%**

[1] Note: Population growth rates taken from 2007 to 2012 change in Claritas data.

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]HHForecast - HHComp

Each portion of **Table A13** dealing with individual station areas appears in the main body of the report. This shows the conversion of the households projected to a number of housing units.

Table A13
Unit Forecast
Rail Runner TOD Evaluation

	Factor	2007 Base Year	2010 Year 3	2015 Year 8	2020 Year 13	2025 Year 18	2010-2025 Change	2010-2025 Ann. #
Bernalillo Stations								
Households		975	990	1,138	1,287	1,325	335	22
Increase: Vacancy Factor	5%	49	49	57	64	66	17	1
Total Dwelling Units		**1,024**	**1,039**	**1,195**	**1,351**	**1,391**	**352**	**23**
Los Lunas Station								
Households		714	726	834	943	974	248	17
Increase: Vacancy Factor	5%	36	36	42	47	49	12	1
Total Dwelling Units		**750**	**762**	**876**	**990**	**1,023**	**260**	**17**
Rio Bravo Station								
Households		94	93	142	190	197	104	7
Increase: Vacancy Factor	5%	5	5	7	10	10	5	0
Total Dwelling Units		**99**	**98**	**149**	**200**	**207**	**109**	**7**

Source: Claritas; Economic & Planning Systems

H:\16881-MRCOG TOD\Models\[16881-ForecastModel-ClaritasData-V2.xls]UnitForecast - HHComp

Figure A1
Albuquerque MLS Map
Rail Runner TOD Evaluation

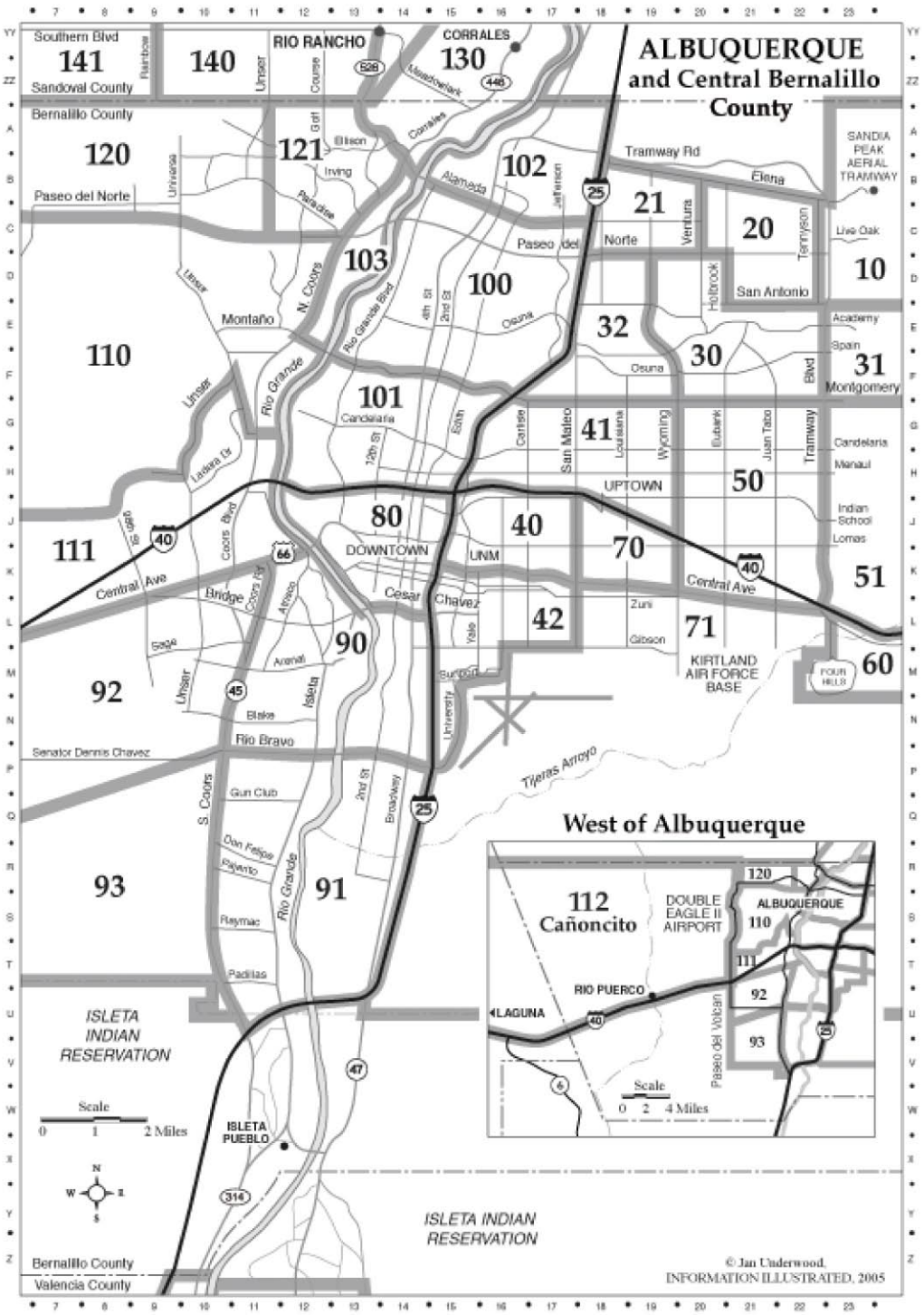

Figure A2
Rio Rancho MLS Map
Rail Runner TOD Evaluation

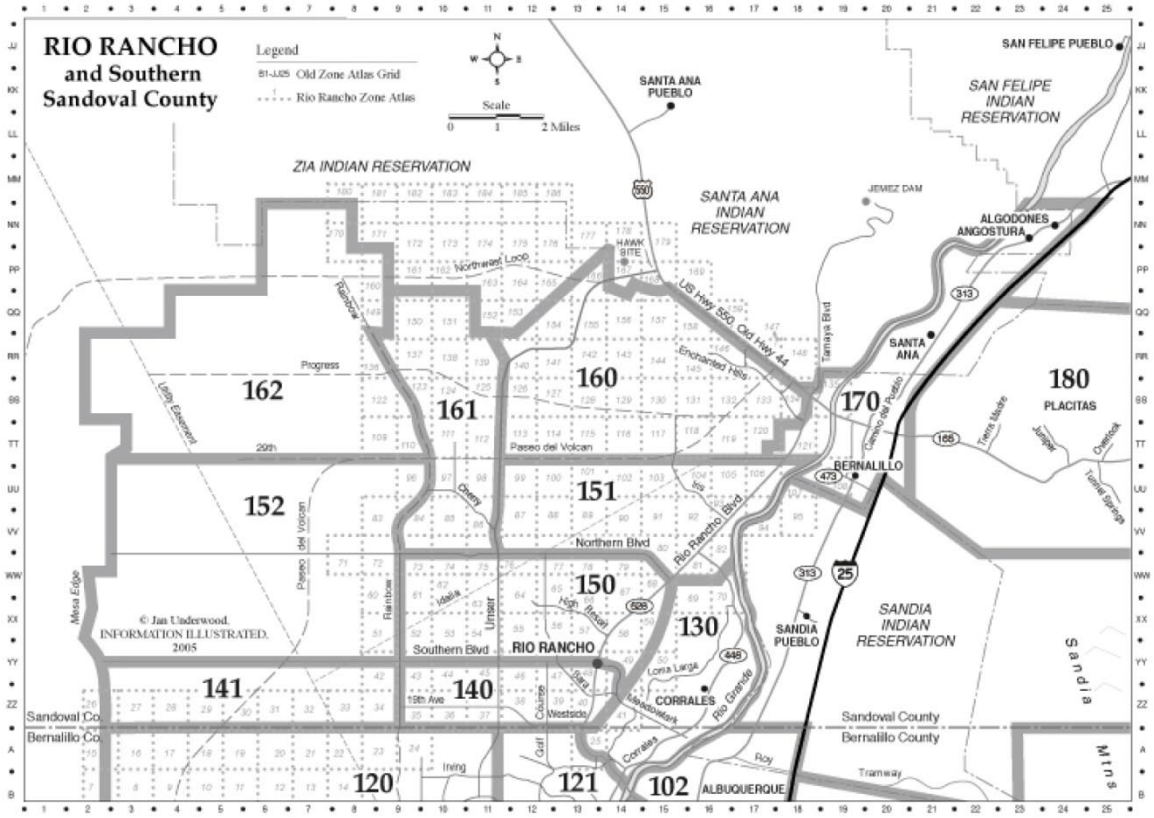

Figure A3
Valencia County MLS Map
Rail Runner TOD Evaluation