



Challenges in Homebuilding

Case Study: Southwest Heights Albuquerque

Centex[®]

Confidential and Proprietary

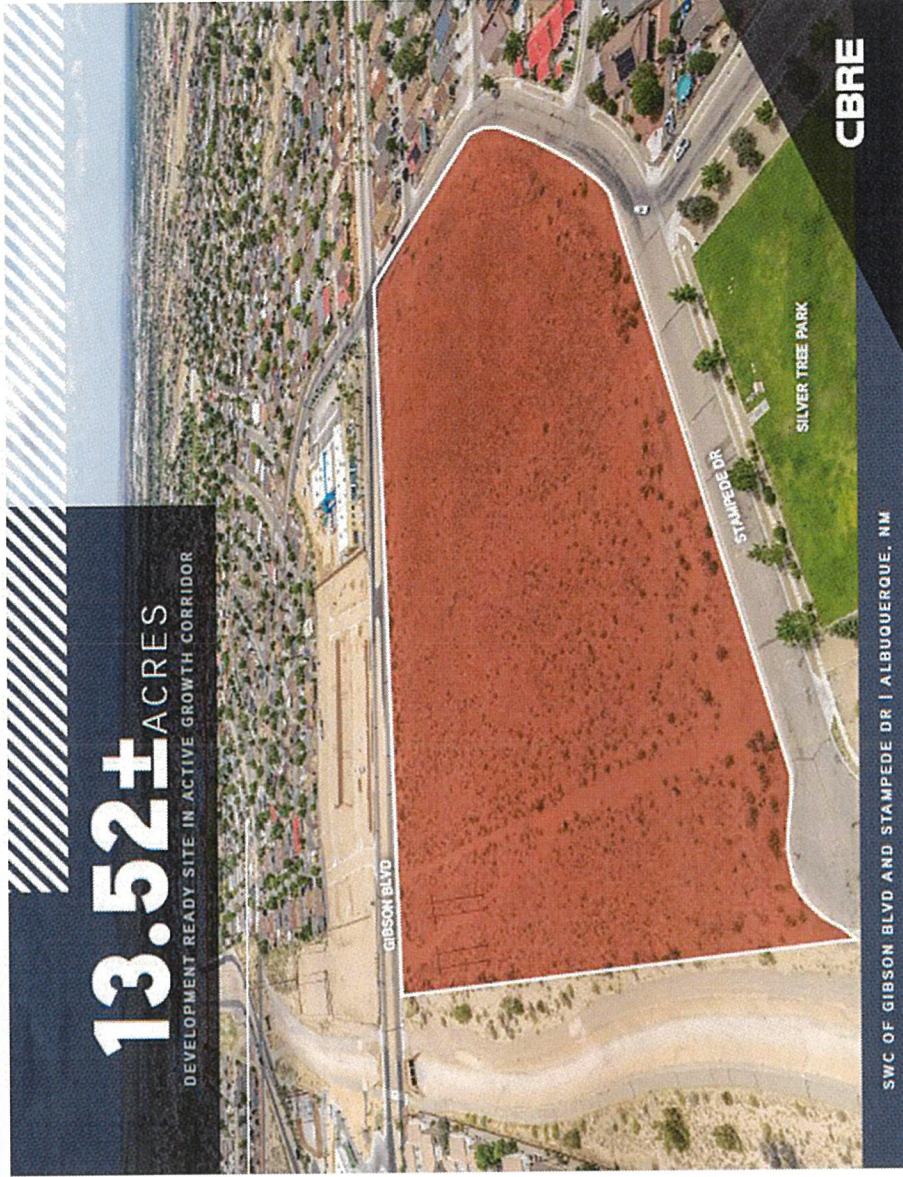
Pulte HOMES[®]

Del Webb[®]

PULTEGROUP

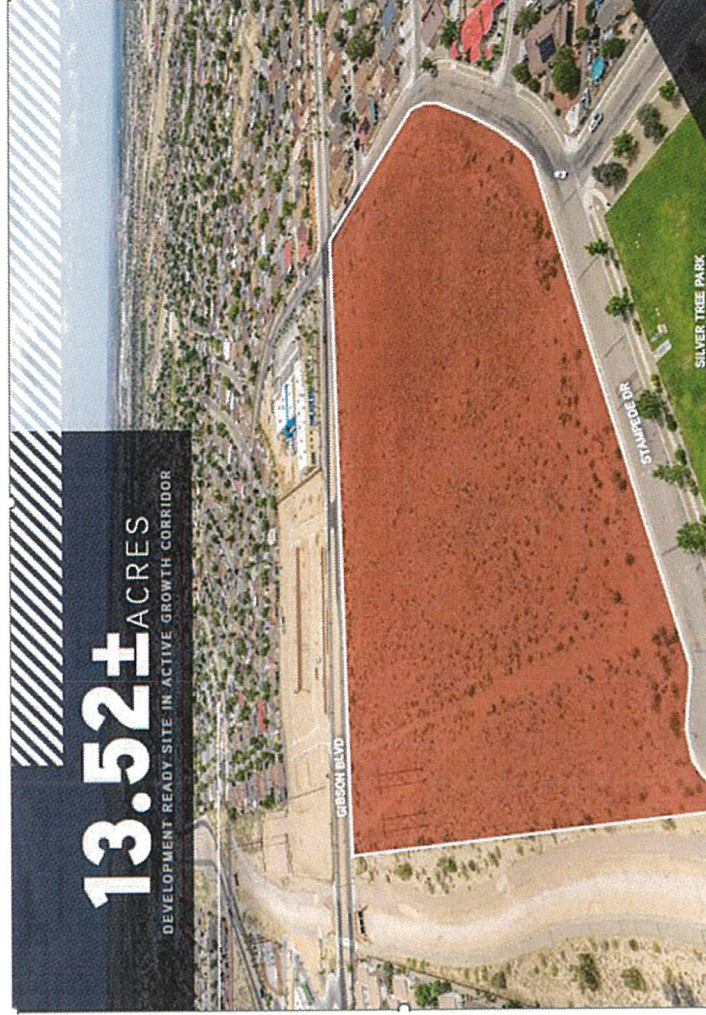
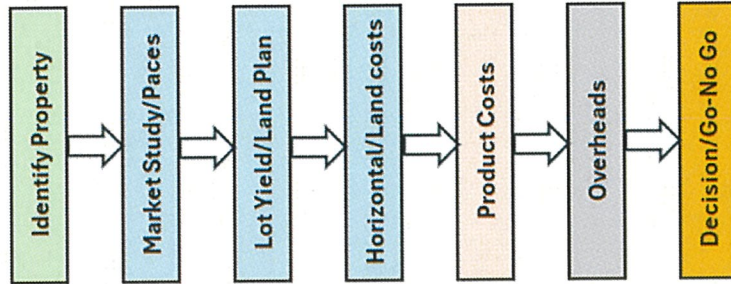
Sample Site

Asking Price \$3 Million



Project Analysis

PROJECT ANALYSIS



Lot Yield Analysis and Product Evaluation



Site 13.52 acres

- Analysis 40' wide lot at 4.5 Lots per acre
- Yields a project of 60 Lots

CMA:

- Average Sales Price in Abq MSA \$408,207
- Average Sales Price in SW Heights- \$297,582 (MLS)

Average Household Income 3-mile Radius of \$74,294

MFA recommended qualification guideline of \$235,000-\$240,000

Market Study/Paces

Local Market Update – June 2025

A Research Tool Provided by the Greater Albuquerque Association of REALTORS®

Southwest Heights – 92

East of Cancito Reservation, South of Central Ave, West of Coors Blvd SW, North of Dennis Chavez Blvd



Key Metrics	2024		June 2025		Year to Date	
	2024	% Change	2025	% Change	Thru 6-2024	Thru 6-2025
New Listings	59	0.0%	59	0.0%	389	337
Pending Sales	51	-21.6%	40	-21.6%	329	284
Closed Sales	44	-9.1%	40	-9.1%	314	276
Days on Market Until Sale	22	+4.5%	23	+4.5%	28	34
Median Sales Price*	\$302,500	-3.3%	\$292,450	-3.3%	\$285,000	\$292,500
Average Sales Price*	\$298,347	-0.9%	\$295,663	-0.9%	\$290,471	\$297,582
Percent of List Price Received*	99.7%	+0.3%	100.0%	+0.3%	99.8%	99.6%
Inventory of Homes for Sale	86	-19.8%	69	-19.8%	—	—
Months Supply of Inventory	1.7	-11.8%	1.5	-11.8%	—	—



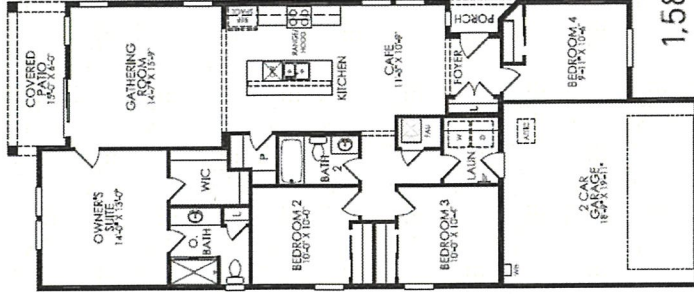
Land Costs

	Costs	Per Lot
Raw Land	\$ 3,000,000	\$ 50,000
Engineering & Survey	\$ 280,929	\$ 4,682
Grading	\$ 1,316,507	\$ 21,942
Infrastructure (Water, Sewer, Storm)	\$ 740,734	\$ 12,346
Walls	\$ 671,967	\$ 11,199
Street Improvements	\$ 396,829	\$ 6,614
Dry Utilities (Gas & Electric)	\$ 226,409	\$ 3,773
Landscaping	\$ 276,793	\$ 4,613
Administration, Overhead Muni Fees	\$ 368,077	\$ 6,135
Contingency	\$ 156,464	\$ 2,608
GRT	\$ 343,487	\$ 5,725
Off Sites	\$ 500,000	\$ 8,333
Total	\$ 8,278,198	\$ 137,970

- Utilized Should-costing based on similar projects
- GRT Statewide Tax
- Offsite possibilities
 - DOT- signal, lane expansion
 - Water utility improvements
 - AMAFCA
 - Power and Gas expansion

House Costs

3015 -Cochiti Plan	Permit and Fees	\$ 10,150
	Pre- Slab	\$ 3,980
	Foundation and Flatwork	\$ 24,413
	Framing and Lumber	\$ 44,780
	Front end shell	\$ 21,090
	MEP	\$ 37,429
	Insulation, Drywall, Paint	\$ 15,894
	Finishes and cleaning	\$ 30,457
	Third party inspections	\$ 1,410
	GRT Summation	\$ 13,451
	Total House Costs	\$ 189,603



1,588 sq.ft.

3 Bedrooms

2 Bathrooms



Financial Analysis

Priced at Average Sales Price

	Total Investment	Per Home
Raw Land	\$3,000,000	\$50,000
Land Development (In Tracts)	\$4,434,711	\$73,912
Offsite requirements	\$500,000	\$8,333
House Costs	\$9,892,320	\$164,872
Permits and Fees	\$609,000	\$10,150
GRT	\$1,150,578	\$19,176
Projected Sales Price	\$ 297,582	\$326,443
Gain/Shortfall		\$(28,861)

Priced at Average Sales Price plus 15% for New

	Total Investment	Per Home
Raw Land	\$3,000,000	\$50,000
Land Development (In Tracts)	\$4,434,711	\$73,912
Offsite requirements	\$500,000	\$8,333
House Costs	\$9,892,320	\$164,872
Permits and Fees	\$609,000	\$10,150
GRT	\$1,150,578	\$19,176
Projected Sales Price	\$342,219	\$326,443
Gain/Shortfall		\$15,776

\$37,659 in Offsite, GRT and Permits



Financial Analysis

Priced at Average Sales Price

	Total Investment	Per Home
Raw Land	\$2,700,000	\$45,000
Land Development (In Tracts)	\$4,434,711	\$73,912
Offsite requirements	\$ -	\$ - Site Ready
House Costs	\$9,892,320	\$164,872
Permits and Fees	\$152,250	\$2,538 75% Reduction
GRT	\$277,944	\$4,632 75% Reduction
Projected Sales Price	\$297,582	\$290,954
Gain/Shortfall		\$6,628

Priced at Average Sales Price with reduction in fees, GRT and Offsite obligations and 10% price reduction.