



Downtown Housing Market & Financial Feasibility Study

Las Cruces, New Mexico

The City of Las Cruces engaged Hunden to conduct a downtown residential/housing market and financial feasibility study to determine the optimal sites and uses for the development of market-rate housing downtown. Las Cruces, located in southern New Mexico, is the second-largest city in the state. After conducting numerous development plans over the years, the City chose to pursue a study that would identify opportunities for market-rate residential development on vacant parking lot parcels downtown.

Hunden's analysis addressed the existing conditions and likely future for downtown Las Cruces related to infrastructure, market realities, and performance, and any gaps in the downtown market and submarket for any specific types of housing.

Hunden's report also addressed comparable downtown housing developments across the U.S. and provided key takeaways related to the project in Las Cruces. Ultimately, Hunden outlined the market opportunity for for-rent development vs. for-sale development, as well as identified other considerations that should be made in order to increase the potential for housing/residential development success downtown.

Hunden's research led to the following recommendations:

- Develop three parking lot parcels, with the goal of 200 new units downtown by 2022,
- 40-50 units of downtown upscale market-rate apartments,
- 40-50 units of downtown upscale market-rate condos,
- Incentivize extended hours for existing retailers and restaurants downtown,
- Increase marketing efforts for entertainment and tourism value of Las Cruces.

Client: City of Las Cruces

Time Period: 2021