GROTTO DI VIA
CONSTRUCTION

The Grotto Report

Grotto di Via Construction | Albuquerque/Santa Fe Construction & Market Update

Issue No. 2 | November 2026

A Note from Donald

Thank you for the response to our first issue. This month the big story is steel. Steel prices have hit a four-year high, while lumber has dropped to its lowest level of the year. That split matters for anyone planning a shop, garage or backyard room, so this issue features two of the things we love to build the most: design-build steel buildings and custom backyard sheds. You'll also find the latest Albuquerque market numbers, a new look at the Santa Fe market, November home tips, and a look at how we set anchor bolts for a steel building.

The Market at a Glance

Indicator	Latest	vs. Last Year
Median sale price, detached homes (Sept)	$389,945	Up 1.3%
Median days on market (Sept)	20 days	2 days faster
Closed sales (Sept)	674	Down 12.2%
Months of inventory (Sept)	3.46	Up from 3.02
30-year mortgage rate (Oct 29)	7.24%	Up from 6.17%
Metro single-family permits (Sept)	295 units	Up from 112
Builder confidence, national (Oct)	29	Lowest since 2012
Framing lumber (per 1,000 bd ft)	~$520	Down ~3.5%
Hot-rolled steel coil (per ton)	~$1,255	Up ~52%

Home sale figures are for detached homes in the Greater Albuquerque MLS area, which covers more ground than the city-only numbers we used in October.

Home Prices: Holding, but Fewer Sales

Prices across the Albuquerque area are still inching up. The median detached home sold for about $390,000 in September, up 1.3% from last year, and the homes that sold went under contract in about 20 days.

Underneath that, the market is cooling. Closed sales fell 12% from last September and new contracts were down about 5%. Inventory rose to almost three and a half months of supply. About half of active

listings have cut their asking price at least once, and homes are closing at about 97% of their original list price.

Mortgage Rates Peaked and Eased

The 30-year fixed rate climbed to 7.40% in early October, its highest level in a year, and held there for two weeks. It eased to 7.24% by October 29. That's still more than a full point above last year's 6.17%. The 15-year rate is at 6.60%.

Rates in the 7% range keep many homeowners in place. We continue to get more calls for additions, remodels, garages and outbuildings than from people looking to move.

New Construction: Builders Are Worried, Permits Spiked

National builder confidence fell to 29 in October, its lowest reading since June 2012. The Western U.S. came in at 26. Buyer traffic is the weakest it has been in more than a decade, outside the start of the pandemic. Builders are responding with deals: 43% cut prices in October, the highest share since 2020, with an average cut of 6%. About 65% are offering incentives.

Locally, the numbers moved the other way in September. The Albuquerque metro issued 295 single-family permits, up from 116 in August and 112 last September. A jump that size often comes from a large batch of permits pulled at once for a new subdivision phase, so we'll watch whether it holds before calling it a trend.

What that means: Production builders are under pressure, and that's good news for buyers who can shop incentives. For custom work, slower demand means better scheduling and more attention from trades.

Santa Fe Market Snapshot

We're doing more work in Santa Fe, from full renovations to new Pueblo-style homes, so starting this month we're adding a look at the Santa Fe market. These figures cover the third quarter of 2026 (July through September).

Indicator (Q3 2026)	Latest	vs. Last Year
Median sale price, homes and condos	$725,000	Up 8%
Closed sales	465	Down 8%
Average days on market	60 days	1 day longer
Homes and condos for sale (end of Sept)	729	No change
Single-family homes for sale (Q3 average)	581	Down from 642

Santa Fe city and county figures from the Santa Fe Association of Realtors.

Santa Fe prices are well above Albuquerque's, and the higher prices are holding. The city and the county are moving in different directions, though. In the City of Santa Fe, single-family sales fell 17% from last year while the median price rose 11%. In Santa Fe County outside the city, sales rose 12% and prices were flat. Santa Fe has about 4.9 months of single-family homes for sale, compared with about 3.5 months in Albuquerque, so buyers there have more to choose from.

The entry-level market is shrinking. Sales of homes under $500,000 fell 14%, more than any other price range, and condo and townhome sales dropped 21%. The southwest side of the city is the most

affordable area, with a median near $575,000. The northeast, northwest and southeast sides all have medians above $1 million.

Building in Santa Fe: The city has its own building permit process, and homes in the historic districts go through design review with strict rules on style, height and materials. That adds time on the front end. If you're buying a Santa Fe home to renovate, or a lot to build on, bring us in before you close so we can check what the city will allow and build a realistic budget.

Construction Costs: Steel Up, Lumber Down

- **Steel is at a four-year high.** Hot-rolled steel coil reached about $1,255 per ton in mid-October, up roughly 52% from a year ago. Tariffs of 50% on imported steel have cut supply, and steel prices have now climbed for 13 straight months.
- **Lumber hit its 2026 low.** Framing lumber futures settled at $507.50 per thousand board feet on October 29, the lowest of the year, and finished the month near $520. Duties on Canadian softwood lumber were lowered, and the 50% tariff on Canadian plywood was removed October 30.
- **Overall materials are still climbing.** Construction input prices rose 2.2% in September alone and are up 11.2% from a year ago. Tariffed metals like iron and copper are rising the fastest.

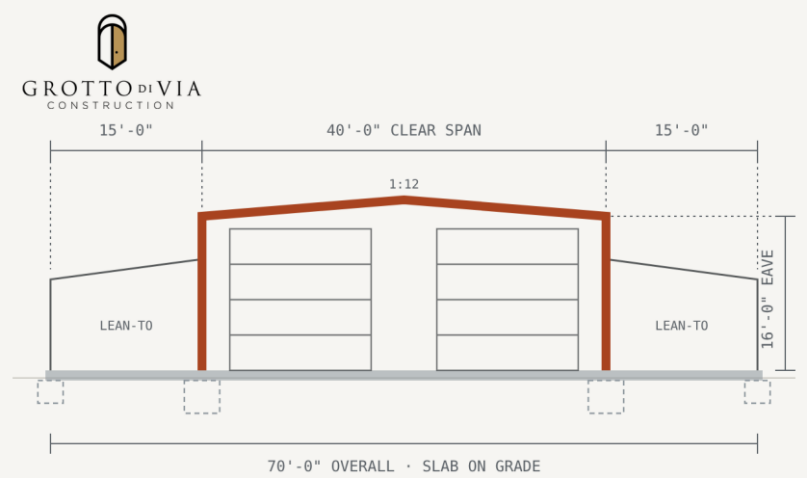
For your project: Wood-framed work like additions, sheds and remodels is in a good pricing window right now. For steel buildings, the steel package is the part of the budget that moves the most. Manufacturer quotes are usually held only for a limited time, so once your design is set, it pays to lock in the package quickly.

Featured: Design-Build Steel Buildings

Clear-span steel is fast to put up, stands up to New Mexico wind and sun, and leaves you a wide-open floor. Grotto di Via handles the whole building, from the first sketch to the last screw. You work with one licensed New Mexico contractor instead of coordinating a designer, a steel supplier, a concrete crew and an erector on your own.

What we build

- **Shops and garages:** workshops, detached garages and hobby shops with tall overhead doors and room for a lift.
- **RV and equipment storage:** high eaves for motorhomes, trailers and tractors, with lean-tos for extra covered space.
- **Barns and ag buildings:** hay and feed storage, equipment barns, and open-sided livestock shelters.
- **Commercial:** small warehouses, contractor yards and service shops, with office or bathroom finish-out.



A typical shop drawn by the Grotto di Via Drafting Department: 40' × 52' clear span, 16' eaves, two 14' overhead doors, and 15' lean-tos on each side. That's 3,640 square feet under roof.

How it comes together

1. **Site visit.** We walk your property and look at access, slope and setbacks, then talk through doors, height and what goes inside.
2. **Conceptual design.** Our in-house drafting department lays out the size, doors, windows, lean-tos and slab so you can see it before you buy it.
3. **Building package.** We order the steel package from the manufacturer, engineered for your site's wind and snow loads, with stamped drawings for permit.
4. **Permits.** We prepare the submittal for the City, the County or your town and answer the plan reviewer's questions.
5. **Foundation and slab.** Our concrete crew pours the footings and slab and sets the anchor bolts to the manufacturer's bolt plan.
6. **Erection and finish.** We stand the frames, sheet the walls and roof, and install doors and windows with our own equipment.

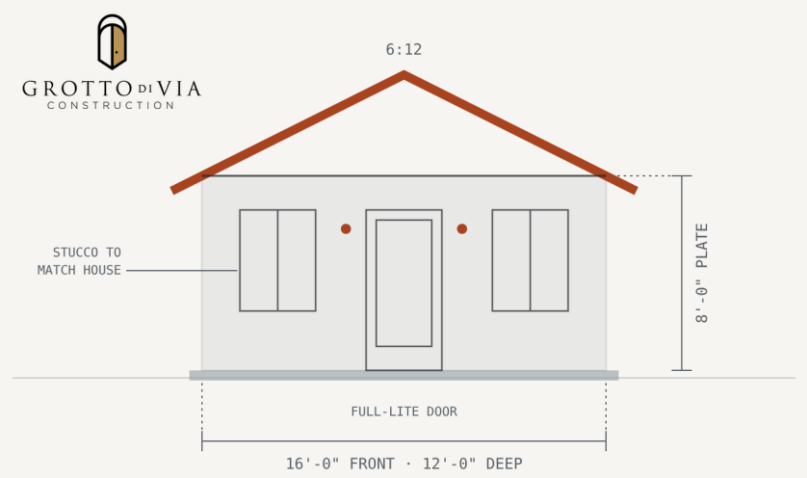
Options include insulation, stucco or wainscot to match your home, concrete aprons, interior offices and bathrooms, and electrical and plumbing through our licensed trade partners.

Featured: Custom Backyard Sheds

He sheds, she sheds, studios and home offices are some of our favorite projects. These aren't kits. Every one is designed by our drafting department, stick-framed, and finished with stucco and a roof that match your house, so it looks like it was always part of the property.

Popular uses

- **Workshop or game room:** a long workbench, extra outlets, a TV wall or a bar counter.
- **Art studio or reading retreat:** big windows, a sink, a window seat and built-in shelves.
- **Home office:** a short walk from the kitchen and far from the noise.
- **Home gym or music room:** rubber flooring, good airflow, or extra insulation to keep the sound in.



Our most popular size: a 12' × 16' studio with a 6:12 gable roof, a full-lite door, two windows, and stucco to match the house.

Pick how finished you want it

- **Level 1, Dry shell:** foundation, framing, roof, stucco or siding, door and windows. Weather-tight, ready for you to finish later.
- **Level 2, Finished room:** adds insulation, drywall, paint, electrical with lights and a subpanel, flooring and trim.
- **Level 3, Full retreat:** adds a mini-split for heating and cooling, cabinets with granite or Corian tops, a covered porch, and a sink or wet bar where plumbing allows.

Good timing: With lumber at its lowest price of the year, winter is a smart time to design and permit a shed so it's ready to build in spring. Most finished sheds with electrical need a permit, and we check the requirements for your address during the backyard visit.

Land and Lots: Before You Build Out Back

Whether it's a 12' × 16' studio or a 40' × 52' shop, the lot decides more of the cost than most people expect. Check these before you settle on a size or a spot:

- **Setbacks and HOA rules.** They decide how close you can build to property lines and what the building can look like.
- **Access.** Concrete trucks, steel deliveries and lift equipment need a clear path to the building pad.
- **Slope and drainage.** A level, well-drained pad costs far less than one that needs fill, retaining or grading.
- **Power.** The distance from your electrical panel to the building drives trenching and wiring costs.
- **Soils.** Some jurisdictions require a soils test or a grading and drainage plan. We'll tell you up front if yours does.

Where the Market Is Headed

- **Prices:** Expect them to stay flat to slightly up. Inventory is growing, so buyers have more choices and more room to negotiate.
- **Rates:** They eased in late October. If they keep sliding toward 7%, expect more buyers to come back in spring.
- **Materials:** Steel and metal products are likely to stay expensive while tariffs remain. Lumber is the bargain for now.

- **Building:** Winter is the time to design and permit, so you're ready to break ground before the spring rush.

What This Means for You

- **Homeowners:** If you need more space, a garage, shop or backyard room may cost far less than moving at today's rates.
- **Buyers:** Price cuts and builder incentives are the most common they've been in years. Ask for them.
- **Landowners and rural lots:** If you're planning a steel building, get your design done and your package priced so you can act when the numbers work.
- **Business owners:** Small warehouses, service shops and tenant finish-outs are still moving across the metro.

Seasonal Home Tips: Before the First Snow

Last month we covered winterizing your swamp cooler, furnace and pipes. November is the time to protect the outside of your home before freeze-thaw season starts.

1. **Clear your canales, scuppers and gutters.** Leaves and debris trap water on flat roofs. When that water freezes, it backs up under the roofing and into the parapets.
2. **Walk your roof line from the ground.** Look for cracked parapet caps, loose flashing, and blistered or split roofing. Small repairs now prevent ceiling stains in February.
3. **Seal stucco cracks.** Water that gets into a crack freezes, expands and makes the crack bigger. Hairline cracks can be sealed with an elastomeric patch before the cold sets in.
4. **Go easy on new concrete.** Don't use rock salt or deicers on driveways and patios poured in the last year. Use sand for traction instead.
5. **Hang holiday lights the safe way.** Use plastic clips instead of nails or staples, which damage stucco and fascia. Plug outdoor lights into a GFCI outlet, and use only cords rated for outdoor use.
6. **Have the chimney swept.** If you burn wood or piñon, a sweep and inspection removes creosote buildup before your first big fire.
7. **Check your garage door seals.** A worn bottom seal lets in cold air, dust and critters. Replacing it is a quick, inexpensive fix.
8. **Flush your water heater.** Albuquerque's hard water leaves sediment in the tank. Draining a few gallons helps it heat faster and last longer.

Need help? Grotto di Via handles roof and parapet repairs, stucco patching and seasonal maintenance. Call us at 505-489-5887.

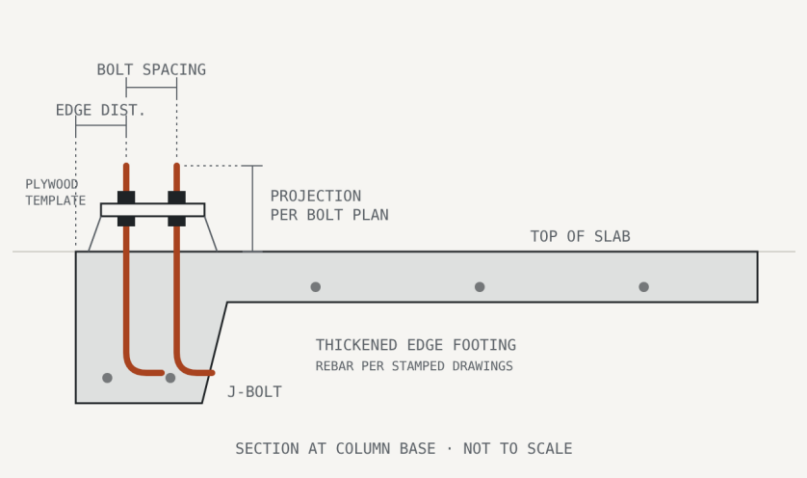
From the Job Site

Setting Anchor Bolts for a Steel Building

A steel building is only as accurate as the bolts it sits on. Each column of the frame bolts to the foundation through a base plate, and the holes in that plate are drilled at the factory. If an anchor bolt is off by even half an inch, the column won't land, and fixing it after the concrete cures means drilling and epoxying new bolts. Here's how our crews get it right the first time.

1. **Work from the bolt plan.** Every steel package comes with an anchor bolt plan from the manufacturer showing bolt size, spacing, edge distance and how far each bolt sticks up above the slab. We don't guess or round.

2. **Build a template for each column.** We drill a piece of plywood to match the base plate's bolt pattern. The template holds the bolts at exact spacing and keeps them plumb.
3. **Square the layout first.** Using the same diagonal checks we covered in October, we square the whole building line before a single bolt goes in.
4. **Set the projection.** Nuts above and below the template lock each bolt at the height shown on the plan, measured from the top of the finished slab.
5. **Tie it in and check again.** We tie the bolts to the footing rebar so they can't drift during the pour, then recheck spacing, height and diagonals before the truck arrives.



Anchor bolts held by a plywood template at the slab edge. The bolt plan sets the spacing, edge distance and projection.

Pro tip: Protect the bolt threads with tape before the pour. Concrete on the threads makes nuts hard to start on erection day, and a damaged thread is a slow, expensive fix.

Thank You to Our Trade Partner

Every project we build depends on skilled subcontractors and dependable suppliers. This month, we're proud to feature one of them.

Padilla Granite

Padilla Granite is a family-owned Albuquerque company that has been making custom granite, quartz and quartzite countertops since 2011. Daniel and Monica Padilla always bring great customer service to our projects. From picking the slab to the final install, they take care of our clients like their own, and the finished tops show it. Thank you, Daniel and Monica, for the craftsmanship and the care you bring to every kitchen and bath we build together.

We're proud to build alongside you.

Grotto di Via | Residential & Commercial Construction | NM License #395607

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Data sources: Southwest MLS via Venturi Realty, Freddie Mac, NAHB/Wells Fargo HMI, U.S. Census Bureau via FRED, Trading Economics, Wood Central, Bloomberg/Fastmarkets, Associated Builders and Contractors, and the Santa Fe Association of Realtors (via Sotheby's International Realty and the Santa Fe New Mexican). Figures are current as of late October 2026 and are for general information only.