

GROTTO DI VIA  
CONSTRUCTION

# The Grotto Report

Grotto di Via Construction | Albuquerque Construction & Market Update

Issue No. 1 | October 2026

## A Note from Donald

Welcome to the first issue of The Grotto Report. Since 2018, Grotto di Via has built and remodeled homes and businesses across the state of New Mexico. Clients often ask us what's happening with prices, land and the market, so each month we'll share what we're seeing. We'll use real data and give you a builder's view of what it means for you. Every issue will also include Seasonal Home Tips, practical advice for keeping your home in top shape all year, and a thank-you to the trade partners who help us build.

## The Market at a Glance

| Indicator                           | Latest     | vs. Last Year  |
|-------------------------------------|------------|----------------|
| Albuquerque median sale price (Aug) | \$359,762  | Up 1.3%        |
| Median days on market               | 32 days    | 2 days faster  |
| Sale-to-list price                  | 99.0%      | Up 0.4 pts     |
| Active listings (mid-Sept)          | ~2,053     | Slightly fewer |
| 30-year mortgage rate (Oct 1)       | 7.28%      | Up from 6.34%  |
| Metro single-family permits (Aug)   | ~128 units | Down ~15%      |
| Framing lumber (per 1,000 bd ft)    | \$537      | Down ~8%       |

## Home Prices: Steady, Not Soaring

Albuquerque home values are holding firm. The median sale price reached about \$360,000 in August, up 1.3% from last year. Homes are selling in about a month at 99% of asking price, and nearly 1 in 4 sold above list.

The market is more balanced than it was a few years ago, though. About 37% of sellers cut their price before selling. Pending sales are running behind last year, which gives buyers more room to negotiate on price and terms.

## Mortgage Rates Are the Big Story

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The 30-year fixed rate jumped to 7.28% on October 1, up from 7.03% just a week earlier and 6.34% a year ago. The 15-year rate rose to 6.60%. That increase is the main thing holding buyers back right now. Many homeowners are locked into much lower rates, so they're choosing to remodel, add on or upgrade instead of selling. We're seeing that in our own project requests.

## New Construction: Builders Are Cautious

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Single-family permits in the Albuquerque metro fell to about 128 units in August. That's the lowest month of 2026 so far and about 15% below last August. The trend is the same nationally. Builder confidence dropped to 32 in September, its weakest level in a year, and the Western U.S. came in even lower at 28. 38% of builders nationwide are cutting prices, and two-thirds are offering incentives such as rate buydowns.

**What that means:** Production builders are working hard for buyers right now. For custom and semi-custom homes, the slower pace can mean better scheduling and more attention from trades.

## Construction Costs: Mixed Signals

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- **Lumber is down.** Framing lumber hit a nine-month low of about \$537 per thousand board feet, down roughly 8% from last year.
- **Metals and equipment are up.** Tariffs are now 50% on steel, aluminum and copper, and 15% on many electrical and industrial products. Wiring, plumbing, HVAC and structural steel carry most of that cost.
- **Labor keeps climbing.** Construction wages are up more than 4% nationally. Skilled trades are still in short supply.
- **Overall:** National forecasts expect total construction costs to rise about 4–6% in 2026.

**What it costs locally:** Grotto di Via completed a custom home in April 2026. The full estimate of \$604,556 comes to about \$284.50 per heated square foot (2,125 SF). Spread over the 3,074 SF under roof, which adds the garage, porches and condenser slab, it's about \$196.67 per square foot.

## Land: A Wide Spread

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About 250 land parcels are listed in Albuquerque, with a median asking price near \$378,000. That figure includes larger acreage, so it doesn't reflect a typical lot. Most in-town residential lots of a quarter acre to one acre are listed between roughly \$165,000 and \$375,000. At the other end, unimproved lots in outlying areas like Rio Rancho Estates can sell for under \$10,000.

**Builder's tip:** Before you buy a cheap lot, check water, sewer or septic, power, road access and grading. Utilities and site work can cost more than the land. Call us before you close, and we'll walk the lot with you.

## Where the Market Is Headed

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- **Prices:** Expect them to stay flat or rise slightly. Low inventory keeps Albuquerque values stable.
- **Rates:** Rates will set the pace. Any meaningful drop should bring buyers back quickly.
- **Building:** Fall and winter are a good time to plan, design and permit a project. That way you're ready to break ground in spring, before demand and pricing pick up.

## What This Means for You

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- **Homeowners:** If you have a low rate and like your neighborhood, remodeling or adding on may make more sense than moving.
- **Buyers:** You have negotiating power right now, especially on homes that have been sitting.
- **Landowners and future builders:** Lock in your design and budget now. Lumber pricing is favorable, but metal and electrical costs are volatile.
- **Business owners:** Tenant improvements and commercial build-outs remain active across the metro.

## Seasonal Home Tips: Getting Ready for Winter

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Albuquerque winters bring sunny days, freezing nights and big temperature swings. These simple steps will keep you comfortable and help lower your heating bill.

1. **Winterize your swamp cooler.** This is the most overlooked heat leak in Albuquerque homes. Drain the lines, shut off the water supply, and cover the unit from the outside. Then close or seal the ceiling vent inside so warm air doesn't escape all winter.
2. **Service your furnace before the first cold snap.** Change the filter, and have a professional check the burners, the heat exchanger and the flue. A clean, tuned furnace runs more efficiently and more safely.
3. **Seal the drafts.** Hold your hand near doors, windows and outlets on exterior walls on a windy day. If you feel air, add weatherstripping, new door sweeps or foam outlet gaskets. A tube of caulk is one of the cheapest energy upgrades you can buy.
4. **Use free solar heat.** Open blinds on south-facing windows during the day to let the sun warm your home. Close them at sunset to hold that heat in overnight.
5. **Check your attic insulation.** If you can see the tops of your ceiling joists, you probably need more insulation. Adding it is one of the best-returning upgrades for high-desert homes.
6. **Reverse your ceiling fans.** Set them to spin clockwise on low speed. This pushes the warm air that collects at the ceiling back down into the room.
7. **Protect your pipes.** Disconnect garden hoses and cover outdoor spigots and backflow preventers. Insulate any exposed pipes in garages, crawl spaces and exterior walls. On nights in the teens, let faucets on exterior walls drip.
8. **Stay safe.** Close the fireplace damper when you're not using it. Test your smoke and carbon monoxide detectors, and replace the batteries if needed.

**Need help?** Grotto di Via can inspect your home for drafts, insulation gaps and window upgrades before winter sets in. Call us at 505-489-5887.

## From the Job Site

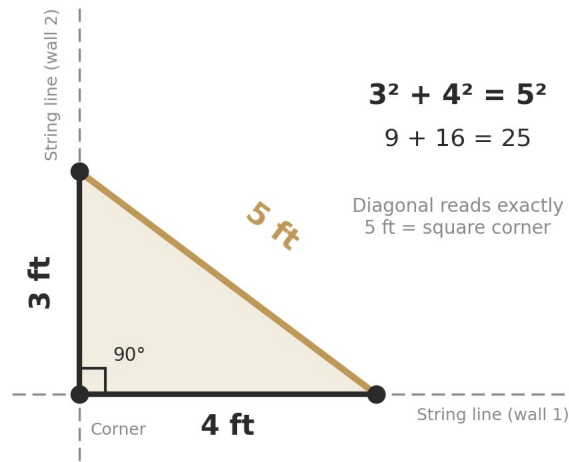
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### Squaring a Foundation: The 3-4-5 Method

Before we pour a foundation, every corner has to be a true 90 degrees. If a corner is even slightly out of square, the error carries up through the walls, cabinets, tile and roof framing. Our crews use a simple, time-tested trick that needs only a tape measure, string lines and a few stakes: the 3-4-5 method, based on the Pythagorean theorem.

1. **Set the first line.** Stretch a string line along one wall of the foundation and mark the corner.
2. **Measure 3 feet.** From the corner, measure 3 feet along the first line and mark it.

3. **Measure 4 feet.** Run a second string line out from the corner at roughly a right angle. Measure 4 feet along it and mark it.
4. **Check the diagonal.** Measure straight across between the two marks. If it reads exactly 5 feet, the corner is square. If not, swing the second line in or out until it does.



*The 3-4-5 triangle: when the diagonal measures exactly 5 feet, the corner is a perfect 90°.*

**Why it works:** In any right triangle, the two short sides squared add up to the long side squared. Here,  $3^2 + 4^2 = 5^2$ , or  $9 + 16 = 25$ .

**Pro tip:** Bigger triangles are more accurate. On larger foundations we use multiples such as 6-8-10, 9-12-15 or 12-16-20. As a final check, we measure both diagonals of the whole foundation. When they match, the entire layout is square.

## Thank You to Our Trade Partners

Every project we build depends on skilled subcontractors and dependable suppliers. They show up early, solve problems on the fly and take pride in doing the job right. Each month we'll recognize a few of the partners who help make Grotto di Via's work possible. This month, a special thank-you goes to:

- **Quezada Electric:** For quality electrical work, clean installations and a crew that keeps our projects moving on schedule.
- **Relentless Plumbing and Heating:** For reliable plumbing and heating work, and for living up to their name on every job.
- **Bosque Builders:** Our framing partner, for solid, square and plumb framing that gives every project a strong start.

**A special thank-you to Ramon Loya** for his teamwork and the trust he has placed in Grotto di Via over the last few years. Partnerships like his are the foundation of everything we build.

We're proud to build alongside you. Thank you for your hard work and craftsmanship.

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

**505-489-5887 | [grottodivia@hotmail.com](mailto:grottodivia@hotmail.com) | [grottodiviallc.com](http://grottodiviallc.com)**

Data sources: Redfin, Freddie Mac, NAHB/Wells Fargo HMI, U.S. Census Bureau via FRED, Trading Economics, and public listing data. Figures are current as of October 1, 2026 and are for general information only.