



MARKET INSIGHTS



Vacancy Rate

3.13%



Market Rent/SF

\$11.32



CAPITAL MARKET



Average Cap Rate

7.85%



Market Sale Price per SF

\$139.95



US 10-year Treasury Note

4.16%



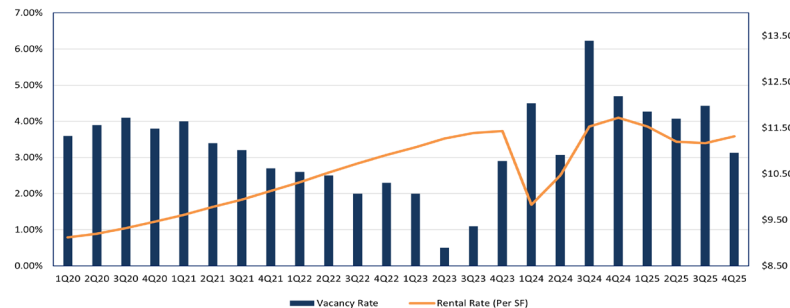
INDUSTRIAL MARKET SNAPSHOT

- **Vacancy Compressed Further:** The Albuquerque industrial market tightened from 4.69% vacancy at YE 2024 to 3.13% at YE 2025, reflecting continued demand for industrial space and a shrinking pool of available inventory.
- **Available Space Dropped Significantly:** Total available space declined from approximately 1.52M SF at YE 2024 to roughly 1.01M SF at YE 2025, showing improved absorption and fewer vacant blocks across the market.
- **Rental Rates Softened Slightly:** Despite tightening vacancy, average asking rents decreased from \$11.72/SF at YE 2024 to \$11.32/SF at YE 2025, indicating leasing activity remained strong while rent growth moderated.
- **Class A Availability Shifted Dramatically:** Class A availability improved substantially, falling from 24.00% at YE 2024 to 7.09% at YE 2025, reflecting successful lease-up of newer product that previously contributed to elevated vacancy.
- **Submarket Tightening Was Widespread:** Several previously softer areas strengthened year-over-year, including the Los Lunas Corridor, which moved from 19.92% vacancy at YE 2024 to 0.00% at YE 2025.

INDUSTRIAL INVESTMENT MARKET

- **Cap Rates Expanded:** Average cap rates increased from 7.3% in 4Q24 to 7.85% in 4Q25, reflecting capital market normalization amid a 4.16% U.S. 10-Year Treasury.
- **Sale Prices Reached New Highs:** Despite cap rate expansion, average sale price per SF increased from \$121/SF in 4Q24 to \$139.95/SF in 4Q25, demonstrating sustained investor confidence in Albuquerque industrial assets.
- **Private Capital Remains Active:** Private investors and owner-users continued to drive transaction volume in 2025, capitalizing on stabilized pricing and reduced institutional competition.
- **Investor Demand Remains Durable:** Even with higher borrowing costs compared to prior years, industrial product remains highly desirable for long-term leased assets in a supply-constrained environment.
- **Market Normalization:** 2024 was defined by supply shock and pricing volatility; 2025 marked a return to equilibrium, with stabilized vacancy, disciplined development, and consistent investor activity.

Vacancy Vs. Rental Rates








KEY SALES TRANSACTIONS

Property	Submarket	Buyer Type	RSF	List Price
 3041 University Blvd SE	Airport	Private Investor	62,487	\$8,250,000
 500 & 515 Broadway Blvd SE	Downtown	Private Investor	56,519	\$1,800,000
 2810 Karsten Ct. SE	South Valley	Owner/User	52,856	\$1,800,000

KEY LEASE TRANSACTIONS

Property	Submarket	Tenant	RSF
 701 Atrisco Vista Blvd	West Mesa	Array Technologies	216,473
 540 Gallatin Pl NW	West Mesa	PepsiCo	68,613
 3101 Menaul Blvd NE	North I-25	Undisclosed	49,953

CLASS SNAPSHOT

Class A		Class B		Class C	
Total Square Feet	1,942,546	Total Square Feet	17,721,271	Total Square Feet	12,499,120
Availability	7.09%	Availability	2.03%	Availability	4.08%
Avg. Face Rate	\$15.00	Avg. Face Rate	\$12.25	Avg. Face Rate	\$11.25

MARKET STATISTICS

Submarket Name	RBA	Available SF	Vacancy Rate	Face Rate
Airport	895,069	104,156	11.64%	\$12.00
Cottonwood	78,343	1,023	1.31%	\$23.46
Downtown	3,490,301	115,196	3.30%	\$9.34
Far Northeast Heights	246,954	4,167	1.69%	\$13.00
Los Lunas Corridor	1,012,240	-	0.00%	-
Mesa Del Sol	281,804	-	0.00%	-
North I-25	14,262,810	238,119	1.67%	\$12.47
North Valley	2,746,948	35,185	1.28%	\$10.50
Northeast Heights	379,392	-	0.00%	-
Rio Rancho	1,333,091	158,773	11.91%	\$10.42
University	288,654	-	0.00%	-
Uptown	-	-	0.00%	-
South Valley	3,582,525	192,224	5.37%	\$11.13
Southeast Heights	954,566	23,308	2.44%	\$12.55
West Mesa	2,610,240	135,233	5.18%	\$12.20
Total	32,162,937	1,007,384	3.13%	\$11.32

PRODUCT TYPE BREAKDOWN



INDUSTRIAL SNAPSHOT

Industrial market data includes non-owner-occupied buildings of ≥10,000 square feet in the Albuquerque MSA. Availability reflects all space currently on the market as well as vacant space. Rent asking rates are based on full service per square foot per year. All information is obtained from sources deemed reliable. While we make every effort to ensure the accuracy of our data, we cannot guarantee accuracy. Readers should consult a real estate professional before making investments decisions based on this data.

